

AGENDA

FREE MARKET PROTECTION AND PRIVATIZATION BOARD

Thursday, November 13, 2014, 2:00 PM
Room 20 House Building
State Capitol Complex
Salt Lake City, Utah

1. Call to Order
2. Public Input (10 minutes)
 - a. Persons may make statements or comments for up to two minutes each on matters pertinent to the board.
3. Board Business/Minutes
 - a. Minutes from October 9, 2014 – *for consideration* *page 3*
 - b. Privatization Process Advisory Committee
4. Commercial Activities Inventory
 - a. Office of State Debt Collection *page 7*
 - b. Division of Finance: Payroll *page 9*
 - c. Department of Human Resource Management *page 17*
5. Review Privatization of an Activity
 - a. Total Cost of Ownership Study re Payroll and DHRM *page 27*
 - b. Property Damage Subrogation RFI *page 79*
6. Review Issues Concerning Agency Competition with the Private Sector
 - a. Competition Review Advisory Committee
7. Other/Adjourn

Upcoming meetings:

Government Operations Interim Committee – November 19, 2014, 2:30 PM, Room 445 Capitol

Privatization Board - December 13, 2014, 2:00 PM, Room 20, House Building

Competition Review Advisory Board – TBD (December)

Privatization Process Advisory Committee – TBD (December)

Meeting Packet Contents

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3	Minutes (draft) from October 9, 2014 Board meeting	GOMB
7	Office of State Debt Collection CAI	OSDC
9	Payroll CAI	Finance
17	Human Resource Management CAI	DHRM
27	Total Cost of Ownership Study (Human Capital Management)	SA
79	Property Damage Subrogation RFI	GOMB

**Minutes of the
Free Market Protection and Privatization Board**

Thursday, October 9, 2014 - 2:00 p.m.
Room 20, House Building
State Capitol Complex

Members present:

Kimberley Jones (Chair), Rep. Johnny Anderson, Rep. Lynn Hemingway, Brian Gough (Vice Chair), Thomas Bielen, Randy Park, Manuel Torres, Russell Anderson, Al Manbeian, Bob Myrick, Rick Jones, and Steve Fairbanks

Members absent:

Sen. Howard Stephenson, Sen. Karen Mayne, Jacquie Nielsen, Louenda Downs and LeGrand Bitter

Staff present:

Cliff Strachan, Governor's Office of Management and Budget (GOMB)

Note: Additional information including related materials provided at the meeting and an audio recording of the meeting can be found at <http://gomb.utah.gov/operational-excellence/privatization-board/> and the Utah Public Meeting Notice Website (<http://www.utah.gov/pmn>).

1. Welcome and Introductions

Kim Jones chaired the meeting.

Louenda Downs, Jacquie Nielsen, and Sen. Karen Mayne are excused.

2. Public Comment (10 minutes)

3. Board Business/Minutes

a. Minutes from August 14, 2014

Motion: Bob Myrick moved to approve the minutes of the August 14, 2014 meeting. CARRIED

b. Privatization Process Advisory Committee

Cliff Strachan provided an update on Sequoia Consulting's progress, including the latest draft of the workbook. He introduced a new survey relevant to the Commercial Activities Inventory requirement and has begun preparing the accounting method for submission to Administrative Rules Committee. Due to serious illness to the principal consultant the section on Performance Contracting is not yet complete. Discussion of projects and next steps for process development.

Chair Jones talked about the need to get the message out, the communication component for the board, and do it with transparency. Mr. Strachan talked about the need to build trust with agencies to overcome agency resistance to reviews by the board.

c. Report to Government Operations Interim Committee

Mr. Strachan provided a draft report for the Board's consideration and requested comment. The report needs be delivered by November 1 and someone representing the board may be invited to appear at the committee's November meeting.

Motion: Steve Fairbanks moved to approve report for signing and sending to the interim committee.
CARRIED

4. Commercial Activities Inventory (CAI)**5. Review Privatization of an Activity****a. Total Cost of Ownership (TCO) Study re Payroll and DHRM**

Mr. Strachan reported that the TCO study was found to have some errors and is being revised. The full report should be available for the November meeting.

A request was made to invite the Department of Human Resource Management and Division of Payroll to present at the next meeting.

b. Property Damage Subrogation

Cliff Strachan reported on the activities of the working group and today's issuance of a Request for Information. Previously, this project was referred to as Third Party Liability. While a specific firm brought the idea to GOMB and certain legislators, the RFI has been issued openly and with specific notice to several firms. The working group includes staff from Risk Management, State Debt Collection, UDOT, and Salt Lake County.

A request was made to invite the Department of Risk Management and Office of State Debt Collection to present at the next meeting.

6. Review Issues Concerning Agency Competition with the Private Sector**a. Competition Review Advisory Committee**

Mr. Strachan reported that he is gathering updated information from the State Office of Education now that the FY 2014 year end has closed. He's converting the information into the process developed by the Privatization Process Committee with Sequoia Consulting. He has also issued another survey to those local education authorities using a private sector vendor to better identify their costs.

7. Other Business/Adjourn

Motion: Bob Myrick moved to adjourn. CARRIED

Scheduled Board meetings:

- Thursday, November 13, 2014 at 2 pm in 20 House Building
- Thursday, December 11, 2014 at 2 pm in 20 House Building
- Thursday, January 8, 2015 at 2 pm in 20 House Building

Advisory Committees:

- Competition Review - TBD
- Privatization Process - TBD
- DTS Review - TBD

Commercial Activities Inventory Survey

Agency: **Office of State Debt Collection**

Administrative Services

MAXIMUM SCORING

Tier 1 Questions		Responses	Yes	No	SCORE
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	The Office of State Debt Collection (OSDC) collects past due accounts receivable (A/R) for most state agencies. OSDC loads those A/R's into its Collection Management System (CMS) where those A/R's, including the OSDC fees, and their subsequent collection activity is tracked. OSDC distributes 95% of those A/R debts to contracted private collection vendors. OSDC also uses state income tax refund offsets (FINDER) and a Wage Match process (Garnishments) to collect these A/R's. OSDC remits the money to state agencies and crime victims as the debts are collected. As required by statute, all legal services for OSDC are provided by the Attorney General's Office.			
T2	What is the budget for this service/function?	OSDC does not receive any funding from the state. The office is funded entirely by fees collected from debtors. In FY2014, OSDC collected \$7,577,610.79 and had expenses of \$1,337,048.24. After remitting the collections to state agencies and to crime victims, we were able to transfer \$500,000 of excess retained earnings to the state General Fund.			
GE2	Do other alternatives exist for providing the service?	Since contracted private collections vendors are assigned almost all the OSDC debts to collect already, we don't believe further privatization would be effective.	25	0	25
GE6	Are there any known legal barriers to privatization?	OSDC is authorized by statute to use the FINDER program and the Wage Match program. The FINDER program processes all state individual income tax refund payments. The Wage Match program matches OSDC debtors to Dept. of Workforce Services databases to identify where they work so we can garnish their wages. Without changing statutes, private collection vendors would not have the same level of access to these processes as OSDC. Also, without changing statute, Uninsured Employer Fund debts could not be collected by a private vendor.	0	25	25
GE7	Are there any obvious risks to be considered with the privatization of this service?	The main risk is all the private personal information related to the approximately 350,000 debtors. The more entities that have access to that information, the more chance there is for a security breach.	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes. Most of OSDC's A/R's (85%) are a result of Court or Dept. of Corrections fines, fees and restitution to victims of crime. If the vendor does not perform, the effectiveness of the criminal justice system would be affected.	0	25	0
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	Yes, it has been successfully privatized by Utah. OSDC administers the debt database (CMS) and distributes almost all of the debts to contracted private collection vendors to collect.	15	0	15
PE1	Does this service currently utilize quantifiable and measureable performance measures?	Yes. OSDC uses a "Net back to the State" measurement. This is calculated by taking the amount collected by a vendor and subtracting the collection fees paid to that vendor. The private collection vendors that perform the best are rewarded by giving them more debts to collect.	15	0	15
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes. Most of OSDC's A/R's (85%) are a result of Court or Dept. of Corrections fines, fees and restitution to victims of crime. If the vendor does not perform, the effectiveness of the criminal justice system would be affected.	0	5	0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	No.	5	0	0
GE8	Does a vendor need access to confidential information?	Yes. A debtor can only be located and their debts collected by using private personal information such as SSN, combined with name, address, and birth date.	0	5	0
GE4	Is there a significant level of political opposition to privatization of this service?	Not to the extent that it is already privatized. However, there would be opposition to privatizing the FINDER or Wage Match processes.	0	20	20
Tier 1			Score	165	100

61%

Commercial Activities Inventory Survey

Agency Division of Finance

Payroll

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	MAXIMUM SCORING RANGE		
			Yes	No	SCORE
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	<p>Payroll and employee self-service systems process electronic time sheets and calculates gross-to-net pay and related benefits for over 21,000 employees every two weeks. The calculation inputs include employee data such as: pay rates, work and leave time (from time entries or scheduled time), withholding certificates (Form W-4), various benefit plan rates, various types of garnishments and various voluntary deductions. The system supports compliance with Federal and State tax regulations including employer tax reporting, Fair Labor Standards Act for State Government employees, Garnishment Law, and State Statutes and DHRM rules.</p> <p>State employees' private payroll data is secured through database encryption, multiple firewalls, and strong access passwords. Any changes to data are automatically logged as to whom, what, and when. All payroll data and programs are copied to a site in Richfield Utah for business resumption purposes in case the production system is down. Payroll production data is transferred to the Richfield site on a real-time basis and we would be able to resume payroll processing very quickly in the event of a disaster that hits the Salt Lake Valley.</p> <p><u>A separate Overview of Statewide Payroll Services document is available for review</u></p>			
T2	What is the budget for this service/function?	FY 2014 net expenditures: \$1,606,090.23 (Accrual basis expenditures net of revenue from DHS for running their Learning Solutions Module.)			
GE2	Do other alternatives exist for providing the service?	There are private companies who process payroll.	25	0	25
GE6	Are there any known legal barriers to privatization?	No, we are not aware of any legal barriers. However, a private vendor would need to be able to comply with applicable state laws and rules, including those related to pay, leave, benefits, travel and other employee reimbursements, and records retention.	0	25	25
GE7	Are there any obvious risks to be considered with the privatization of this service?	Yes, there is a risk of a private company not being able to successfully implement the State's complicated payroll, leave, benefit, and transparency processes.	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes there is a high level of risk if requirements are not met by the private company. For example the State could be sued if payroll to it's employees is delayed; there could be tax liabilities if taxes aren't calculated and submitted properly, state employee retirees may sue the State if their retirement contributions and years of service are not tracked accurately; there could be potential disallowances of federal grant expenditures if accounting of personnel expense is not done accurately, and if privatization fails the State would have to purchase a new payroll system at a much higher cost than what was paid in 2003. Current estimated costs of replacing the payroll system range from \$10 to \$15 million, and would take a minimum of 18 months. We would also lose and have to replace some or all of our experienced staff if privatization didn't work out.	0	25	0
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	No other states have privatized their payroll systems as far as we know based on our involvement with other states through the National Association of State Comptrollers. Agency is not aware of any local or federal government agencies that have privatized their payroll system. It is likely that some political subdivisions have privatized payroll.	15	0	0
PE1	Does this service currently utilize quantifiable and measureable performance measures?	Yes: # emergency/manual payments, # Employee Self Service users, system uptime, # of on time and accurate payrolls.	15	0	15
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes, the statewide payroll system is definitely considered mission critical to Utah State Government. State programs would not be able to function for very long if the State didn't pay it's over 21,000 employees accurately and on time and wasn't able to administer payroll-related benefits.	0	5	0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	No.	5	0	0
GE8	Does a vendor need access to confidential information?	Yes, the vendor would have access to and store the following private/confidential employee information: Social Security#, address, full name, birth date, employee banking information, tax information, health insurance information, other deduction information.	0	5	0
GE4	Is there a significant level of political opposition to privatization of this service?	Not that we're aware of.	0	20	20
Tier 1			Score	165	85

Utah Department of Administrative Services
Division of Finance
Overview of Statewide Payroll Services – November 2014

Summary

In addition to the normal processing of payroll for over 21,000 state employees every two weeks, which is described later in this document, State Finance also provides the following additional services, while keeping the total average net cost of a pay check at \$2.95. See Appendix A.

1. Varying, Complicated, and Unusual Leave categories.

State Payroll tracks and accounts for multiple leave categories for thousands of state employees as required by state statute, federal law, and DHRM rules. These leave categories include: annual leave, FLSA-exempt comp time, FLSA-non-exempt comp time, excess time, converted sick leave, pre-2006 converted sick leave, pre-2006 sick leave, 2006-2013 sick leave, and a new category for sick leave accrued after 12/31/2013 that has no value upon retirement. The Legislature also recently created a new leave category for Annual Leave II, effective January 2016, by passing Senate Bill 269 in the 2014 Legislative General Session.

It is very important that the payroll system accurately track all these leave categories, not only because employees' use these leave balances while employed with the State, but also because of the value these leave balances have to employees who terminate or retire. The pre-2006 sick and converted sick leave and the 2006-2013 sick and converted sick leave have significant value to employees who retire from state employment. Annual, excess, and FLSA non-exempt comp time is also a vested benefit and will be paid out upon retirement or termination. Employees may only carry forward 320 hours of annual leave each year.

2. Maintain and Support the SAP LSO Module for the Department of Workforce Services.

In the past, both State Finance and DWS were supporting separate instances of the SAP software which is used to run state payroll. DWS uses SAP for organization management, personnel development, and learning solution (LSO) functions. On their own, DWS was unable to keep their instance of SAP current and was spending a lot of money supporting their separate instance of SAP. In 2008, State Finance entered into an agreement with DWS to merge the DWS SAP instance into State Finance's SAP instance. DWS reimburses State Finance \$90,000 per year to support the LSO functions for DWS. This amount is much less than DWS was spending to maintain their own SAP instance.

3. Paperless Travel Management

State Finance recently implemented the Travel Management Module of the SAP application. It is currently being used in DAS and will be rolled out and made available to other agencies. This module provides an electronic tracking and work flow of documents to approve and reimburse state employee's travel costs. This module automates the travel authorization and reimbursement process for state agencies and eliminates the shuffling of paperwork and the related inefficiencies (delays, lost paperwork, not knowing who has the forms, etc.)

4. Detailed Payroll Costs Charged to Thousands of FINET Coding Blocks

The payroll system must be able to allocate all payroll costs, including benefits and leave, to thousands of different FINET coding blocks to ensure agencies can properly account for federal programs and appropriated budget line items. The payroll costs must be posted to FINET in a very accurate and detailed manner due to the large number of federal programs and appropriated budgets.

5. Many Retirement and Health and Dental Insurance plans, and Significant Records Requirements.

The State of Utah offers its employees various benefits, including retirement and health and dental insurance plans, to compensate employees for lower wages than they could obtain in private industry. For example, to accommodate the thousands of state employees and different situations and groups, the payroll system must accurately charge and account for many different retirement and savings plans and many types of health and other insurance plans. It is important that the State's payroll processor be able to handle legislative changes in an appropriate and timely manner. The money and information for all of these plans must be interfaced accurately and timely to both Utah Retirement Systems (URS) and Public Employees Health Plan (PEHP) for each employee and for each pay period. The interfaces must be sent in an exact format as required by both URS and PEHP, and any differences thoroughly researched and corrected. In addition, retirement information sent to URS over an employee's career must be researchable for many years. It is not uncommon, for an employee or URS to ask us to research the amounts paid to URS for 30 or more years ago for a specific employee.

6. Multiple Overtime Calculations

The State uses many different overtime calculations depending on the way an employee is categorized according to federal regulations and state policies. Some examples of the different time periods that are the basis for calculating overtime are as follows: 1 week, 2 weeks, greater than 171 hours over 4 weeks, and greater than 160 hours over 4 weeks.

Other Considerations and Risks

There are risks in going to a private vendor to host the State's payroll processing. These risks include: 1) the private vendor not being able to handle the intricacies of the State's current payroll process for a lower cost over the long-term; and, 2) the risk if the private vendor solution is attempted but found to be unworkable. If the State wanted to take back processing after "privatizing" it, the State may have to purchase a new system. We estimate that the cost of replacing the current payroll system would range from \$10 to \$15 million, with implementation costs, and a significant increase in annual maintenance costs. These new system costs would be in addition to personnel and DTS costs that we currently pay.

History

March 2003 - The current payroll system was implemented in 18 months. Total initial cost for the system was \$4,111,802 from the following categories:

• Software License - SAP Human Capital Management	\$1,224,442
• Consulting - Core System Implementation	1,885,139
• Training	130,286
• Hardware	569,736
• Software Maintenance During Implementation	251,465
• State Employee's Overtime and Travel	<u>50,734</u>
Total	\$4,111,802

Additional functionality has since been implemented:

- March 2005 – Internet based **Employee Self Service** (ESS) functionality at a cost of \$240,000
- September 2007 – **Archiving** at a cost of \$89,854 (Complies with URS Statute requiring government employers to **retain retirees employment data for 60 plus years**)

- December 2008 – **Disaster Recovery/Business Resumption** capability with full offsite online backup at a cost of \$61,500 for software plus additional expenditures for hardware.
- June 2010 – **Upgrade of ESS** Time Entry functionality at a cost of \$58,800
- January 2012 – **Implement Garnishment** process at a cost of \$23,860. We were able to eliminate a whole separate computer system that previously handled garnishments. This system consolidation also resulted in efficiencies which allowed us to eliminate a full-time position.
- March 2013 - **Travel Management** functionality at a cost of \$148,000. (We are currently in the process of making the service available to agencies upon request.)

Core System Functionality

The system calculates gross-to-net pay and related benefits for over 21,000 employees every two weeks. The calculation inputs include employee data such as: pay rates, work and leave time (from time entries or scheduled time), withholding certificates (Form W-4), various benefit plan rates, various types of garnishments and various voluntary deductions. The system supports compliance with:

- Federal and State tax regulations including employer tax reporting
- Fair Labor Standards Act for State Government employees
- Garnishment Law
- State Statutes and DHRM rules.

Payroll data is secured through **database encryption, multiple firewalls**, and strong access passwords. Any changes to data are automatically logged as to whom, what, and when. All payroll data and programs are copied to a site in Richfield Utah for business resumption purposes in case the production system is down. Payroll production data is transferred to the Richfield site on a real-time basis and we would be able to **resume payroll processing very quickly in the event of a disaster** that hits the Salt Lake Valley.

Upgrades, Updates and enhancements

The payroll system has been upgraded a few times since it was installed in order to take advantage of SAP's latest versions of the software. Updates for tax and garnishment law are received from the vendor and applied regularly. The vendor also supplies ongoing maintenance to enhance the functionality of the system. We have applied Enhancement Pack 5 and plan to apply Enhancement Pack 6 next year.

Labor Cost Allocation

The system allocates labor costs to organizations and projects using eight of the elements of the FINET (The State's accounting system) coding block. These elements are Fund, Department, Unit, Appropriation, Activity, Function, Program and Phase. The various combinations of these FINET coding elements are represented by thousands of cost centers in the payroll system. These thousands of cost centers are essential for state agencies to properly account for and bill federal programs for millions of dollars in reimbursable state expenditures, and properly account for personnel expenditures according to appropriation acts of the Legislature. It is crucial that any processor of the State's payroll be able to process payroll using Finance's standard chart of account elements (FINET coding block).

As employees enter their time, they can enter the FINET codes that apply. The system edits for validity of the FINET codes entered. Time can also be charged to FINET code(s) via percentage based defaults thus limiting the need for direct data entry. When gross pay is calculated, it is charged to the FINET coding along with a proportionate share of the employee's benefit costs.

Actual gross pay and apportioned benefit costs can be tracked back to employee's time entries and paid benefits. This is critical functionality for Federal cost sharing programs.

Leave pools account for time entries that convert to leave rather than pay. Cost centers are charged when the leave is earned with an offsetting entry to fund leave pool accounts. Then when the employee is paid for the leave taken, the leave pool accounts are charged for both the leave paid and related benefits. There are "comp and excess" leave pools for each department. In addition, there are 4 termination pools (General, Public Safety, Education and Transportation) which are used for final payouts of leave when an employee terminates. These pools are funded from ongoing labor additive rates.

Employee Self Service (ESS)

This secure, outward facing portal application allows employees to view and update their own information:

- Enter working time with related FINET codes for the current pay period
- Change their Form W-4 tax withholding information
- Create and change the direct deposit accounts where their pay is deposited
- View leave balances
- View/print their W-2 forms
- View/print their pay statements
- Enter travel approval requests and request reimbursement for business expenses.

Managers are also able to use ESS to view and approve subordinates:

- Time entries
- Leave Balances
- Other Pay
- Travel requests

Archived Payroll Data

State Statutes for the Utah Retirement Systems require that payroll data relative to retirement eligibility and benefit calculations are maintained up to 65 years from the date of employment. The archiving functionality supports this requirement without excess file storage. Yet, archived data can be retrieved and viewed through the same transactions current data is accessed. For example, a pay statement from ten years ago can be retrieved from archived files and displayed using the same transaction used to display a current pay statement.

Garnishment Processing

The system supports the automatic processing of mandated deductions for Tax Levies, Child Support Orders and Garnishments. It calculates the deduction amount, allows multiple garnishments for the same employee and generates garnishment payments. On average, the system processes over 500 garnishments every pay period for approximately \$120,000.

Interfaces and Data Sharing

The system provides and receives payroll and employee data to and from the following public and private entities:

Department of Human Resource Management

- Inbound file of employee data for new-hired, re-hired, and transferred employees; and employee data changes (Pay Rate, Position, Address, etc.) This file is received five nights a week.
- Outbound file of mass changed FINET codes associated with each employee. This file is sent twice a year.

Utah Retirement Systems

- Inbound file of employee retirement and savings plan changes. This file is received once every two weeks.
- Outbound file of contribution amounts by retirement/savings plan and employee. This file is sent every two weeks when payroll is processed and includes current period data and retroactive adjustments to prior period(s) data. (Each retroactive adjustment must indicate to which period the amounts apply)

Public Employees Health Plans

- Inbound file of employee health, dental and other insurance plan changes. This file is received once every two weeks.
- Inbound file of employee Flexible Spending and Health Savings Accounts. This file is received once every two weeks.
- Outbound file of contribution and employee data relative to the various insurance, FSA and HSA plans. This file is sent every two weeks when payroll is processed and includes current period and retroactive adjustments to prior period(s) data.

Division of Finance

- Outbound files of payroll costs to the State's central accounting system FINET. This file is sent each pay period
- Inbound files of FINET codes used to validate time entry charges to cost centers. This file is received nightly.
- Real-time budget validation against FINET accounting system as data is entered into ESS.
- Outbound files of employee data to update query data bases in the Data Warehouse updated each pay period. The data on these files must be checked against the DHRM list of protected employees. As new employees are classified as protected, the employee name in the below files is replaced with the word "Protected" for all current and past files. As employees become unprotected, the employee name in the below files is reinstated for all current and past files.
 - Labor Detail File
 - State agency accountants and program manager's use this data on a regular basis to ensure that payroll costs are posted properly to thousands of state and federal programs. It is also used by State Finance to send information to the State's transparency website.
 - Employee Data File
 - The Governor's Office of Management and Budget (GOMB) and the Legislative Fiscal Analyst Office have built systems around the information in this file for budgeting and appropriation purposes.
 - Leave History File sent every two weeks.

Other State agencies

- Inbound files of daily time entry data from DOT's maintenance groups, DAS Division of Facilities Maintenance, and DTS. These files are received once a pay period.
- Outbound error reports pertaining to the time data input files listed above.
- Outbound file of quarterly earnings for each employee to DWS. This file is sent quarterly.
- Outbound file of child support collections to the Office of Recovery Services. This file is sent each pay period.

Private Sector Service Providers

- Inbound files or reports of employee data used to setup and change voluntary deductions for 10 other insurance providers and 1 charitable fund. Most of this data is received once per pay period.
- Outbound files or reports of employee contribution amounts for each provider. These files or reports are sent every two weeks when payroll is processed and includes current period data and retroactive adjustments to prior period(s) data.

Employee Associations

- Inbound reports of employee data used to setup and change voluntary deductions for eight employee associations. This data is received at various times as necessary.
- Outbound reports of employee contribution amounts for each employee association. These reports are sent every two weeks when payroll is processed and includes current period data and retroactive adjustments to prior period(s) data.

APPENDIX A

State Payroll System Costs FY 2011- FY 2014

Expenditure Description	Statewide Payroll System			
	FY 2011	FY 2012	FY 2013	FY 2014
Personnel	\$ 478,369.87	\$ 484,853.85	\$ 485,688.33	\$ 486,918.32
Travel	\$ 3,400.94	\$ 2,946.47	\$ 3,555.58	\$ -
Current Expense	\$ 15,534.96	\$ 14,046.41	\$ 18,596.00	\$ 10,586.10
Data Processing - DTS Server Hosting and Storage, etc.	\$ 260,431.32	\$ 260,431.32	\$ 279,995.40	\$ 227,727.91
Data Processing - DTS Personnel - programmers, DBAs	\$ 639,747.50	\$ 600,269.75	\$ 620,287.50	\$ 534,515.10
Data Processing - Consultants	\$ 35,388.75	\$ 106,785.00	\$ 59,538.00	\$ 70,868.00
Data Processing - Software maintenance by Vendors	\$ 277,573.40	\$ 285,146.18	\$ 292,414.52	\$ 312,426.86
Data Processing - Capitalized - Software - Vendor Developed	\$ 5,000.00		\$ 38,790.00	
Data Processing - Other	\$ 22,589.91	\$ 13,776.83	\$ 15,178.50	
Total Budgetary Basis Expenditures	\$ 1,738,036.65	\$ 1,768,255.81	\$ 1,814,043.83	\$ 1,643,042.29
Cost per Paycheck	\$ 3.07	\$ 3.16	\$ 3.22	\$ 2.94
Depreciation Expense	\$ 54,860.45	\$ 36,338.15	\$ 36,814.69	\$ 53,437.94
Less Capitalized project costs which are being depreciated	\$ (7,205.00)	\$ (106,785.00)	\$ (40,995.00)	0
Total Accrual Basis Expenditures	\$ 1,785,692.10	\$ 1,697,808.96	\$ 1,809,863.52	\$ 1,696,480.23
Cost per Paycheck	\$ 3.15	\$ 3.03	\$ 3.21	\$ 3.04
Revenue from replacing W2s	(200.00)	(300.00)	(200.00)	(390.00)
Revenue from DWS to support their LSO module	\$ (90,000.00)	\$ (90,000.00)	\$ (90,000.00)	\$ (90,000.00)
Net Payroll Processing Expenses	\$ 1,695,492.10	\$ 1,607,508.96	\$ 1,719,663.52	\$ 1,606,090.23
Cost per Paycheck	\$ 2.99	\$ 2.87	\$ 3.05	\$ 2.87
3 year average FY 11-13	\$ 2.97			
4 year average FY 11-14	\$ 2.95			
# of pay statements processed (checks and direct deposits)	567,023	559,979	563,853	558,939

Commercial Activities Inventory Survey

Agency: **Human Resources Management**

Compensation

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	MAXIMUM SCORING RANGE		
			Yes	No	SCORE
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	Compensation consists of two areas: salary and benefits. Provides statewide oversight of salaries and benefits to ensure that the State's total compensation package is competitive and cost effective. This function works closely with PEHP/URS, State Finance, GOMB and LFA to administer benefits for employees. Staffed by 7 members of DHRM's administrative team and is funded through general funds. Services provided are not included in the HR rate paid annually by each agency. Additional information is appended.			
T2	What is the budget for this service/function?	\$630,000			
GE2	Do other alternatives exist for providing the service?	No, the Personnel Management Act is very specific as to the duties and responsibilities of DHRM. The Act does allow collaboration with the private sector in the total compensation survey process.	25	0	0
GE6	Are there any known legal barriers to privatization?	Yes, the Personnel Management Act would need total revision to allow for privatization of the total compensation process. The functions performed by this team exist because of the Act.	0	25	0
GE7	Are there any obvious risks to be considered with the privatization of this service?	Yes, there are inherent risks that would need to be considered. DHRM administers several elements of federal law as part of total compensation to include the Affordable Care Act, the Fair Labor Standards Act, the Equal Pay Act and many more that impact the States liability such as ADA, FMLA, workers compensation, etc.	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes, all of these regulations have penalties for non performance.	0	25	0
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	No, we are not aware of any state that has privatized the total compensation process.	15	0	0
PE1	Does this service currently utilize quantifiable and measureable performance measures?	Yes, state statute contains several mandates as to what must be done on an annual basis regarding the total compensation process. An annual survey must be done and provided to the Governor. Salary recommendations and associated ranges must be based on a number of possible scenarios based on available funding. In addition, DHRM works closely with the Utah Retirement Systems and the Public Employees Health Plan to administer employee benefits consistent with available funding. Since the cost of health care is ever increasing there is constant focus on plan design, cost shifting and other options necessitating plan design and communication with employees.	15	0	15
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes; our employees are arguably our most important resource and the need to offer competitive wages and benefits is critical. In order for agencies to meet their vision and missions they must have employees with the necessary knowledge skills and abilities to perform critical tasks. In order for the state to attract and retain talent we must offer competitive salary and benefits. Assessing this market is one of DHRM's major objectives. This team's work with the Governor's Office and the Legislature is critical for the State to be able to administer competitive salary and benefits programs.	0	5	0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	The statute governing the administration of salary and benefits is subject to change if the policy makers determine that is best for the effective administration of these programs.	5	0	0
GE8	Does a vendor need access to confidential information?	This depends on what is being outsourced to a vendor. Clearly there is protected data in administering compensation and benefits. While much of these data are with URS and PEHP that is also protected data with DHRM including data for employees in protected classes, birth date, etc. Currently, this team has access to confidential data such as employee ID numbers, social security numbers, birth dates, personal phone numbers and physical address information. This access is necessary in order for the team to be able to council HR staff regarding how to resolve complicated salary and benefits problems for employees.	0	5	0
GE4	Is there a significant level of political opposition to privatization of this service?	Unknown, but there would probably be some opposition. We work directly with GOMB and the Legislature regarding total compensation.	0	20	10
Tier 1			Score	165	25
					15%

Commercial Activities Inventory Survey

Agency: **Human Resources Management**

Classification

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	MAXIMUM SCORING RANGE		
			Yes	No	SCORE
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	Responsible for the design and administration of the State's job and position classification system. Ensures that jobs are accurately documented and described. Statewide oversight of the classification function is provided by three of DHRM's administrative staff. Oversight includes development of strategic goals/objectives, policies/procedures, grievance resolution, data management and reporting, and consultation with field services staff and agency management on complex classification issues. This group is responsible for the development of master job descriptions used at the agency level for position classification. Additional information is available.			
T2	What is the budget for this service/function?	\$380,000			
GE2	Do other alternatives exist for providing the service?	Yes. There are private sector firms that contract with organizations to handle the classification function.	25	0	25
GE6	Are there any known legal barriers to privatization?	Yes. 67-19 of the Utah State Code requires that all human resource functions be provided by the Department of Human Resource Management.	0	25	0
GE7	Are there any obvious risks to be considered with the privatization of this service?	Yes. First, there is the risk of selecting a provider that does not understand the nature of each agency, its mission, and its strategic (not transactional) classification needs. This requires someone who has worked with an agency over time and developed an understanding of the agency, its legal requirements as outlined in state code and its history as these relate to jobs and job families within each agency. Second, is the risk of not having strong oversight of the provider to ensure that the provider meets its performance requirements. This important because classification is the foundation function for most, if not all, of the other Human Resource function including compensation, recruitment, performance management, workforce planning, and liability management. If the classification function is not performed properly, it impacts on all of the other Human Resource functions. Lastly, there is the risk of getting an initial low bid on human resource services in order to secure a contract with the State only to have future contracts bid at much higher rates that more accurately reflect the provider's true costs. This may place the State in a difficult position as changes to infrastructure (i.e. elimination of systems and staff) may have been made that prevent the State from ending the	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes. Classification forms the foundation for all of the other Human Resource functions. If not done well, it impacts all other HR functions within an agency. As an example, poor classification can result in a failure to recruit for the right skills necessary for an agency to achieve its mission and meet its legal obligations.	0	25	0
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	Yes, Florida privatized its human resource function several years ago. However, DHRM does not have recent information regarding how successful this has been.	15	0	15
PE1	Does this service currently utilize quantifiable and measureable performance measures?	No, however DHRM is working with the Governor's Office to identify performance measures as part of the Governor's Operational Excellence program.	15	0	0
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes	0	5	0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	No. As part of the Governor's Operational Excellence program is working to identify excess capacity. However, it is DHRM's intent to redeploy any excess capacity it may find into other areas to meet our customers' strategic needs such as workforce planning, liability management, and data-driven decision making.	5	0	0
GE8	Does a vendor need access to confidential information?	No	0	5	5
GE4	Is there a significant level of political opposition to privatization of this service?	We would assume there would be political opposition.	0	20	0
Tier 1			Score	165	45

27%

Commercial Activities Inventory Survey

Agency: **Human Resources Management**

Business Intelligence/Data Management

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	Yes	No	SCORE
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	Data management services include: <ul style="list-style-type: none"> • Provide timely and quality business intelligence services to customer agencies to enable them with the information they need to make informed business decisions • Provide timely and quality data regarding critical measures of DHRM performance • Provide insightful analysis and recommendations to agency management, executives, and political organizations based on sound data collection and survey methodology, clearly defined resulting trends, and other research elements • Measure and report on levels of employee engagement with agency missions and visions 			
T2	What is the budget for this service/function?	\$760,000			
GE2	Do other alternatives exist for providing the service?	Yes, outsourcing options exist.	25	0	25
GE6	Are there any known legal barriers to privatization?	No, we are not aware of legal barriers to privatization.	0	25	25
GE7	Are there any obvious risks to be considered with the privatization of this service?	Yes. Risks to be considered include jeopardization of data security, a promise of high quality and timely services from a private company that ultimately does not deliver everything they promise, hidden costs from a private company that only emerge after privatization is implemented, and services, products and deliverables from a company that does not really understand the nature of state government.	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes, particularly with data security. However, the risk applies to all of the items mentioned in Item D as well.	0	25	
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	No, we are not aware of other state or local governments privatizing this function.	15	0	0
PE1	Does this service currently utilize quantifiable and measureable performance measures?	Yes, this service has deadline-driven deliverables and satisfaction rates that are consistently measured and reported.	15	0	15
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes. Without the ability to provide critical business intelligence elements including workforce planning data to agency management, their ability to meet goals and initiatives as required by the Governor's Office and the general public would be crippled.	0	5	0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	No, we are not aware of excess capacity in this service that could be sold.	5	0	0
GE8	Does a vendor need access to confidential information?	Yes, DHRM does own contracts with two vendors that access some confidential information but does not access all confidential information that DHRM manages.	0	5	0
GE4	Is there a significant level of political opposition to privatization of this service?	Unknown but agency assumes there will be.	0	20	10
Tier 1			Score	165	75

45%

Commercial Activities Inventory Survey

Agency: **Human Resources Management**

Employee Resource Information Center

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	Yes		No		SCORE
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	ERIC provides a central location to process human resource transactions. The ERIC employs 26 team members that provide services to management and employees. ERIC provides payroll, on boarding, HR transaction, and retirement processing services through its customer service representatives.					
T2	What is the budget for this service/function?	\$1,620,000					
GE2	Do other alternatives exist for providing the service?	Yes, the state agencies could assume the tasks listed above for their employees. Also, outsourcing options exist.	25	0			25
GE6	Are there any known legal barriers to privatization?	Yes, State statute mandates ERIC/DHRM to perform most the functions listed above.	0	25			0
GE7	Are there any obvious risks to be considered with the privatization of this service?	Yes, risks to be considered include: -Employee personal information could be compromised including SSN, home address etc. -Statute mandates for HR services and timeframes for processing payroll and HR actions. -Possible disruption of services. -Services, products and deliverables from a company that does not really understand the nature of state government	0	25			0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes, employee records and pay could be compromised.	0	25			0
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	Yes, some of the ERIC functions have been outsourced by other states.	15	0			15
PE1	Does this service currently utilize quantifiable and measureable performance measures?	Yes, ERIC gathers data for all functions and uses measures to evaluate employee performance.	15	0			15
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes, employee pay and other HR transactions are critical to meeting the state and agency missions.	0	5			0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	No, we are not aware of any excess capacity that could be sold.	5	0			0
GE8	Does a vendor need access to confidential information?	Yes, access to employee personal information including SSN, home address, date of birth etc. Some employee records are protected by law due to the classification of their job (police officer etc). Further ERIC accesses employee medical files that are protected under HIPAA.	0	5			0
GE4	Is there a significant level of political opposition to privatization of this service?	Yes, when ERIC launched initially in September 2011, there was political opposition to the centralization of HR services. Therefore, there is an assumption that privatization will also have opposition.	0	20			0
Tier 1			Score		165	55	33%

Commercial Activities Inventory Survey

Agency: **Human Resources Management**

Performance Management

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	MAXIMUM SCORING RANGE		SCORE
			Yes	No	
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	The state uses UPM as its performance management system. UPM was designed by DHRM , coded by DTS, and is hosted on the state's servers. In UPM, supervisors create performance plans with performance goals and standards, and evaluate employee performance.			
T2	What is the budget for this service/function?	\$22,000			
GE2	Do other alternatives exist for providing the service?	Many private sector firms provide performance management systems, oftentimes as part of a larger human resource information or talent management system.	25	0	25
GE6	Are there any known legal barriers to privatization?	No	0	25	25
GE7	Are there any obvious risks to be considered with the privatization of this service?	The only risk is that nothing much would be gained since we would still need to expend resources responding to system inquiries, identifying system bugs, training users, etc. A times, purchased software apps or services do not live up to our expectations and the companies fail to respond to our unique needs.	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	No. While performance management information is confidential is it not private under GRAMA.	0	25	25
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	If you mean by "privatized" software purchased from a vendor either internally or externally hosted, yes many public sector organizations do this.	15	0	15
PE1	Does this service currently utilize quantifiable and measureable performance measures?	No	15	0	0
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	No	0	5	5
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	Unknown	5	0	0
GE8	Does a vendor need access to confidential information?	Performance management information is arguably confidential to the affected employees, but it is generally not construed as personally identifiable information.	0	5	5
GE4	Is there a significant level of political opposition to privatization of this service?	Unknown	0	20	10
Tier 1			Score	165	110

67%

Commercial Activities Inventory Survey

Agency: **Human Resources Management**

Recruitment

MAXIMUM SCORING RANGE

Tier 1 Questions		Responses	MAXIMUM SCORING RANGE		SCORE
			Yes	No	
T1	Describe the service/function so there is a clear understanding of the service and how it operates.	Provides management with: access to the best qualified applicants possible to meet each department's business needs, and statewide oversight of the recruitment and selection process. This function has responsibility for the State's recruitment system and selection process and is staffed by three members of DHRM's administrative staff.			
T2	What is the budget for this service/function?	\$1,970,000			
GE2	Do other alternatives exist for providing the service?	Yes. There are private sector firms that contract with organizations to handle the recruitment function.	25	0	25
GE6	Are there any known legal barriers to privatization?	Yes. 67-19 of the Utah State Code requires that all human resource functions be provided by the Department of Human Resource Management.	0	25	0
GE7	Are there any obvious risks to be considered with the privatization of this service?	Yes, there are several risks. First, there is the risk of selecting a provider that is not familiar with a career service system and the requirements of this type of system. Second, there is the risk of selecting a provider that does not understand the nature of each agency, its mission, and its strategic (not transactional) recruitment needs. This requires someone who has worked with an agency over time and developed an understanding of the agency, its legal requirements as outlined in state code and its history as these relate to recruitment. Third, is the risk of not having strong oversight of the provider to ensure that it meets performance requirements. Lastly, there is the risk of getting an initial low bid on human resource services in order to secure a contract with the State only to have future contracts bid at much higher rates that more accurately reflect the provider's true costs. This may place the State in a difficult position as changes to infrastructure (i.e. elimination of systems and staff) may have been made that prevent the State from ending the contract and returning to an internal delivery model as the systems and staff are no longer available without significant lead time.	0	25	0
PE3	Would there be a high level of risk if a privatized service did not meet required performance requirements?	Yes. The risk here is that an agency may not be able to meet some legal obligations, fail to fully achieve its stated mission, and loss of some efficiencies if the provider cannot meet its obligations to recruit qualified staff.	0	25	0
GE5	Has this service been successfully privatized by other state or local governments? By the Federal government?	Florida privatized its human resource function several years ago. However, DHRM does not have recent information regarding how successful this has been.	15	0	15
PE1	Does this service currently utilize quantifiable and measureable performance measures?	Yes DHRM is currently working with the Governor's Office to identify performance measures as part of the Governor's Operational Excellence program.	15	0	15
GE1	Is the service being reviewed considered a mission critical service of Utah State Government?	Yes	0	5	0
CE11	Does the current State service have excess capacity that could be sold due to a privatization arrangement?	No. As part of the Governor's Operational Excellence program is working to identify excess capacity. However, it is DHRM's intent to redeploy any excess capacity it may find into other areas to meet our customers' strategic needs such as workforce planning, liability management, and data-driven decision making.	5	0	0
GE8	Does a vendor need access to confidential information?	Yes. A vendor would need access to applicant information including home address, telephone number, email address, ethnicity, veteran's status, drug testing results, disability information provided as a request for interview accommodation, etc.	0	5	0
GE4	Is there a significant level of political opposition to privatization of this service?	Unknown but likely opposition would include UPEA.	0	20	10
Tier 1			Score	165	65

39%

Service/Function: Classification

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

This function is responsible for the design and administration of the State's job and position classification system. The purpose of this function is to ensure that the State's jobs are accurately documented and described. Statewide oversight of the classification function is provided by three of DHRM's administrative staff. Oversight of the function includes development of strategic goals/objectives for the function, policies/procedures, grievance resolution, data management and reporting, and consultation with field services staff and agency management on complex classification issues. This group is responsible for the development of master job descriptions used at the agency level for position classification.

The key services provided by this function are:

- *Job analysis: Job analysis is used to accurately determine what activities and responsibilities are included in each job/position, the relative importance and relationship of one job/position to another within the organizational structure, as well as the knowledge, skills, and abilities necessary to properly perform those job/position responsibilities. The information generated through job/position analysis is used as the foundation for a number of other important HR functions including organizational design, compensation, recruitment, performance management, training, and liability management*
- *Development of job descriptions: Job descriptions are the documentation of the job analysis process and provide a concise accounting of the duties and requirements of specific jobs.*
- *Classification studies: DHRM staff members conduct in-depth studies of jobs for agencies to determine if these jobs are properly classified.*

Service/Function #2: Compensation

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

The compensation function consists of two areas: salary and benefits. The purpose of this function is to provide statewide oversight of the State's salary and benefits to ensure that the State's total compensation package is competitive and cost effective. This function works closely with PEHP/URS, State Finance, the Governor's Office of Management and Budget and the Legislative Fiscal Analysts office to administer benefits for employees. The function is staffed by seven members of DHRM's administrative team and is funded through general funds. Services provided under this function are not included in the HR rate paid annually by each agency. The following services are provided by the compensation function:

- *Annual salary and benefit survey and analysis: DHRM is required by statute to conduct an annual market salary and benefits survey and analysis. Information gathered from the survey is analyzed to determine if the State's total compensation are in line with, above, or below the market. Using the analysis results, DHRM develops recommendations for the Governor's consideration for inclusion in the annual budget. Recommendations include merit, across the board increases such as cost of living adjustment (COLA), market comparability adjustments to align benchmark and related titles with prevailing market conditions, and changes to health insurance premiums and retirement contributions. In depth salary surveys are also provided to individual agencies on request and as part of the agency workforce profile. This type of survey typically involves review of one or more specific job titles in order to provide agency management with detailed market data. Management uses the detailed data to address develop targeted solutions to recruiting, retention, or employee morale issues.*
- *Development and administration of the state pay plan: This service includes the review and revision of the existing plan based on results of the annual salary survey as well as development of new plan(s) in response to legislative changes. An example of the development of a new pay plan is the removal of the required 2.75% between salary steps resulting from the passage of HB140. Changes to an existing plan or the implementation of a new pay plan require the administration team to educate both employees and managers on the impact of such changes. Also included in this area is the determination of salary ranges for positions to provide adequate salary differential among various classes of position in the plan*
- *Development of budget recommendations: Using salary and benefit data, the DHRM staff members develop total compensation recommendations for the Governor's Office as part of the annual budgeting process.*
- *Strategic support to the Governor's Office and Legislature: During the session and interim, DHRM staff members gather and analyze data regarding proposed changes to employee salaries and benefits. Staff review legislation to determine the impact to employee total compensation as well as anticipate changes that will need to made to Human Resource Management Rules and business practices if the legislation passes. Also anticipated is employee communication strategies needed if the legislation passes. This is especially critical if there is a major change to or elimination of an employee*

benefit. Based on the analysis staff make recommendations and provide options to assist the governor and legislators in their decision making processes.

- *Implementation of Compensation and Benefits related legislation. After any State or Federal legislation passes that impacts compensation and benefits this team is responsible to coordinate the efforts and resources needed to implement the legislation. This includes but is not limited to, implementing across the board salary increases and salary range adjustments, Affordable Care Act compliance, federal shutdown furlough policy administration, and legislative changes to retirement programs. Members of this team formulate a project plan, establish implementation goals and deadlines, organize workgroups and/or implementation teams, and coordinate employee communication efforts etc. in order to implement passed legislation.*
- *Data reports: The compensation team also provides agency managers with a variety of salary and benefit reports that provide key information for decision making. These reports include such information as the number/percentage of employees in each quartile of a given salary range, at the mid point or above or below the market. Data is also provided to agency management, GOMB and agencies as to difficult to fill positions, the length and number of times positions are actively recruited and the number of applicant salary offers and rejections.*
- *Compensation and Benefits Consultation with HR Field Office Employees. This function is responsible for educating State HR Professionals regarding salary and benefits that may impact the agencies that they support. This includes consulting with HR employees one on one, providing compensation and benefits training and helping them find solutions to complex compensation and benefits related problems.*
- *Employee/management education and assistance: This function is responsible for educating agency managers and their employees regarding salary and benefits. This includes consulting with management one on one, providing compensation and benefits training in staff meetings, answering questions from employees, participating in benefit fairs and distributing information to employees regarding changes in salary and benefit plans that may occur during the year.*

Service/Function: Recruitment & Selection

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

The purpose of this function is to provide management with access to the best qualified applicants possible to meet each department's business needs and statewide oversight of the recruitment and selection process. This function has responsibility for the State's recruitment system and selection process and is staffed by three members of DHRM's administrative staff.

The following services are provided by the recruitment and selection function:

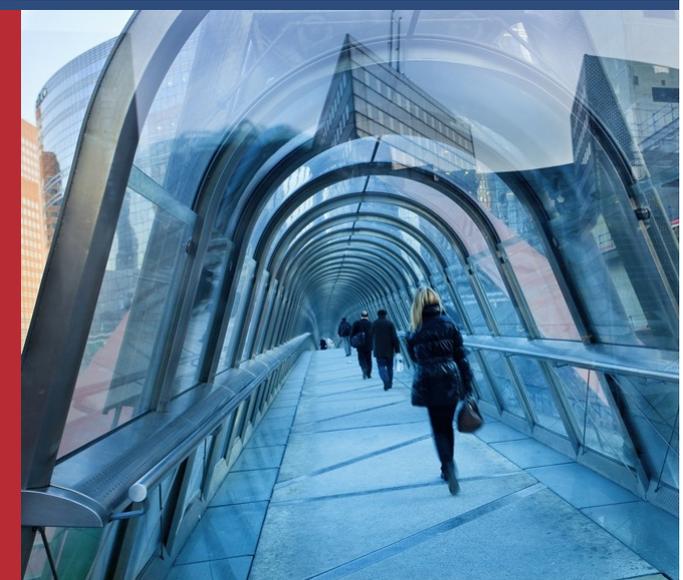
- *State Jobs (NEOGov): This is the State's web based job announcement, application, and applicant tracking system. NEOGov is the private sector company that DHRM has contracted with to provide a comprehensive online recruitment system. The recruitment and selection staff members are responsible for customizing the system to meet the state's needs, identifying enhancements, and fixes to the system.*
- *Strategic/Targeted Recruitment: Staff assigned to this function are responsible to develop proactive recruitment strategies for high level and Information Technology positions to assist agencies in filling "hard-to-fill" positions.*
- *Policies/procedures/business practices: This function also develops and implements necessary policies, procedures, and business practices to ensure that recruitments are completed in an efficient manner and meet the requirements of all state and federal employment laws.*
- *Training: The assigned DHRM administrative staff members are responsible for development, delivery, and tracking of systems training for all DHRM field staff who use the State Jobs system.*
- *Data Reporting: Data reports can be provided to both DHRM HR managers and agency managers regarding recruitment details including recruitment status, number of days to fill a position, and applicant demographics.*

SOURCING
ANALYTICS

Human Capital Management

**Total Cost of Ownership
Study**

November 2014



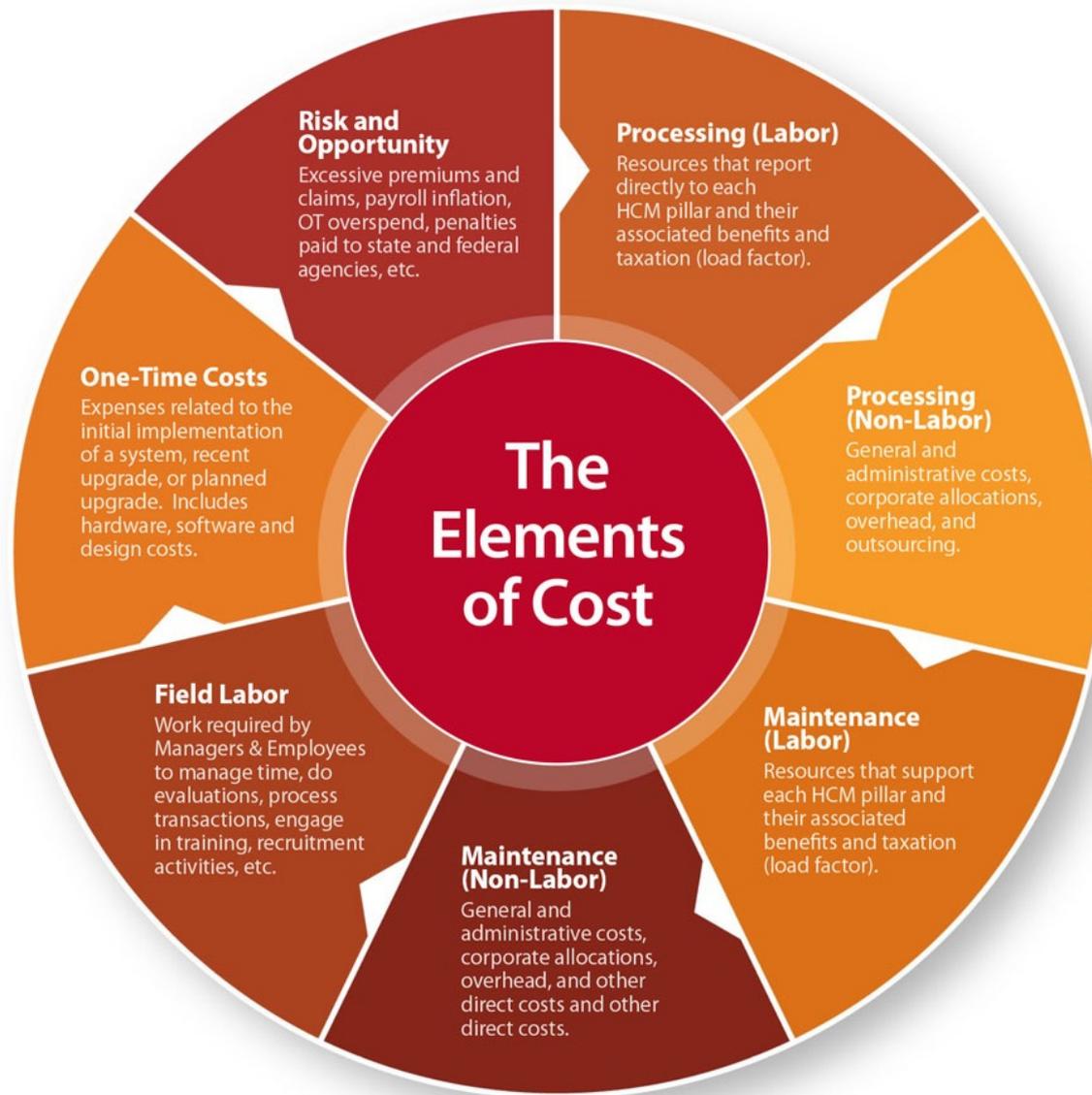
State of Utah

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State of Utah

COST STUDY



Pillars of Cost Study	
	Payroll
	Time and Labor
	HR Administration
	Recruiting and On-Boarding
	Compensation
	Performance Management
	Learning Management

"Pillar" Cost study

- TCO Survey information was gathered from State of Utah that reflects information based upon current people, process, and technology costs
- This information was input into the ClearView Analyzer Tool, an independent third party product.
- ADP has contracted with external consultants to review the information and validate the methodology used in this study
- Sourcing Analytics reviewed State of Utah survey data and validated it against ADP's current benchmark database spanning over 794 company responses
- The resulting TCO was calculated utilizing a methodology that provides benchmark comparisons of companies based on industry code, size, and platform

Executive Overview

Pillar	Total Annual Cost	Your PEPY	Total DB Peer Group PEPY	Peer Group Size	Peer Group Industry Government
Payroll (* 21,354 employees)	\$3,619,796	\$169	\$423	\$288 (* more than 10,000)	\$502
Time and Labor (* 21,354 employees)	\$4,607,069	\$215	\$287	\$53 (* more than 10,000)	\$180
HR Administration (* 21,354 employees)	\$1,886,846	\$88	\$269	\$169 (* more than 10,000)	\$37
Recruiting and On-Boarding (* 4,816 employees)	\$2,273,737	\$472			
Compensation (* 21,354 employees)	\$521,689	\$24			
Performance Management (* 21,354 employees)	\$9,170,430	\$429			
Learning Management (* 21,354 employees)	\$965,628	\$45			
Totals	\$23,045,198	\$1,442	\$980	\$511	\$720

- For this study, the following Pillars of HCM were evaluated: Payroll, Time and Labor, HR Administration, Recruiting and On-Boarding, Compensation, Performance Management, Learning Management.

- The calculated Total Cost of Ownership for Payroll, Time and Labor, HR Administration, Recruiting and On-Boarding, Compensation, Performance Management, Learning Management reflects overall costs of \$23,045,198 annually or \$1,079 per employee per year (PEPY), with 21,354 employees.
- The current database has historical benchmark data from 2003 to 2013 for the core HCM pillars of Payroll, Time and Labor, HR Administration, and Benefits. The 2014 Clearview footprint is expanding the benchmark database to include the additional pillars of Recruiting and On-Boarding, Compensation, Performance Management, Learning Management and Leaves Administration.
- The following study provides further details and insights about your organization's costs and potential areas of opportunity.

Summary Findings

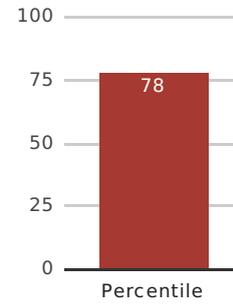
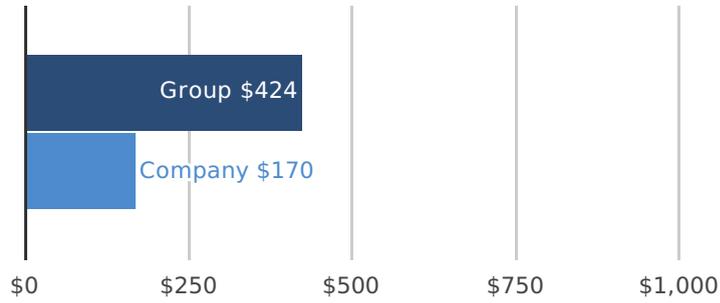
Component	System Implementation	System Upgrade	Processing Labor	Processing Non-Labor	System Maintenance	Field Labor	Outsourcing Fees	Total
Payroll	\$0	\$11,226	\$727,307	\$48,833	\$972,787	\$1,859,642	\$0	\$3,619,796
Time and Labor	\$0	\$0	\$472,618	\$474	\$609,760	\$3,524,216	\$0	\$4,607,069
HR Administration	\$0	\$0	\$1,303,716	\$35,949	\$529,623	\$17,557	\$0	\$1,886,846
Recruiting and On-Boarding	\$38,066	\$0	\$97,426	\$109,543	\$0	\$2,028,700	\$0	\$2,273,737
Compensation	\$0	\$0	\$309,163	\$17,459	\$0	\$195,067	\$0	\$521,689
Performance Management	\$0	\$8,333	\$50,568	\$25,994	\$18,500	\$9,067,033	\$0	\$9,170,430
Learning Management	\$0	\$558	\$90,975	\$62	\$93,762	\$780,269	\$0	\$965,628
Totals	\$38,066	\$20,117	\$3,051,775	\$238,317	\$2,224,432	\$17,472,487	\$0	\$23,045,197

State of Utah

COST STUDY

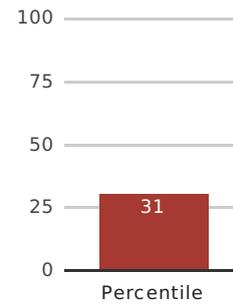


Payroll (Avg Cost PEPY)



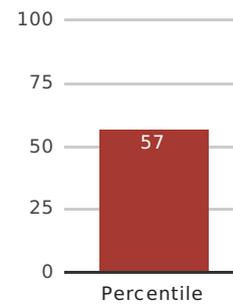
Based on a peer group of 466 companies

Time and Labor (Avg Cost PEPY)



Based on a peer group of 67 companies

HR Administration (Avg Cost PEPY)



Based on a peer group of 90 companies

State of Utah

COST STUDY



Payroll (Based on a peer group of 466 companies)

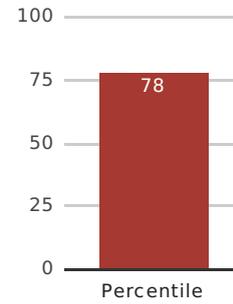
Component	Org. Totals	Org. Total (PEPY)	Benchmark Average (PEPY)	Org. %	Percentile Interpretation
System Implementation	\$0	\$0	\$15	99	If dollars are indicated in this cost component, it means simply that an event has happened within the last 3 years.
System Upgrade	\$11,226	\$0	\$4	99	If dollars are indicated in this cost component, it means simply that an event has happened within the last 3 years.
Processing Labor	\$727,307	\$34	\$105	88	This percentile rank indicates a possibility of resource constraint especially if system automation is not prevalent.
Processing Non-Labor	\$48,833	\$2	\$33	94	Because non labor costs are under 15% of labor costs, there is a possibility that some costs were not included in the survey.
System Maintenance	\$972,787	\$45	\$47	39	This percentile rank indicates investment that is likely to be well balanced between people process & technology.
Field Labor	\$1,859,642	\$87	\$251	51	On average, Field Labor is 37% of the total cost per employee. Organizations with automated TLM can drive this number to below 20%. Your cost is 51% of the total.
Outsourcing Fees	\$0	\$0	\$12	99	If dollars are indicated in this cost component, some portion of Payroll processing has been outsourced. This should provide some offset to processing labor.
Total	\$3,619,796	\$169	\$423	78	This percentile ranking indicates good balance between people, process, technology, and risk mitigation

State of Utah

COST STUDY

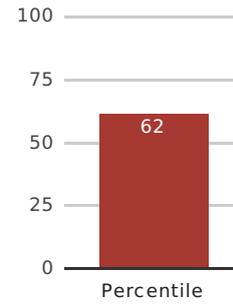


Total Database



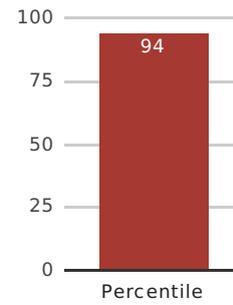
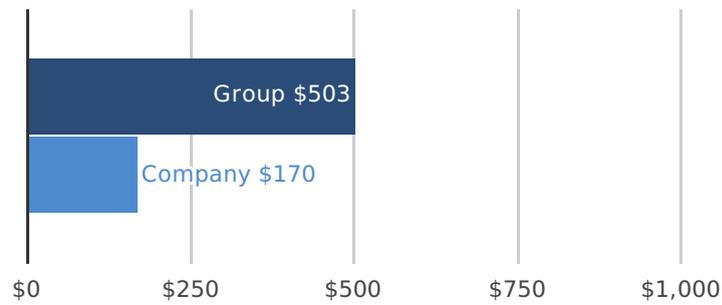
Based on a peer group of 466 companies

Size



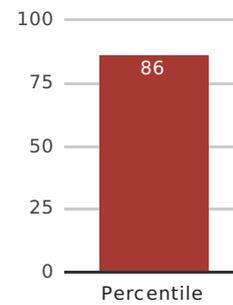
Based on a peer group of 113 companies with more than 10,000 employees

Industry



Based on a peer group of 50 companies with industry Government

Platform



Based on a peer group of 35 companies using SAP

Payroll

Component	Org. Totals	Org. Total (PEPY)	Size more than 10,000 113 Organizations		Industry Government 50 Organizations		Platform SAP 35 Organizations	
			Benchmark Average (PEPY)	Org. %	Benchmark Average (PEPY)	Org. %	Benchmark Average (PEPY)	Org. %
System Implementation	\$0	\$0	\$12	99	\$7	99	\$20	99
System Upgrade	\$11,226	\$0	\$4	99	\$5	99	\$17	99
Processing Labor	\$727,307	\$34	\$79	88	\$183	94	\$104	91
Processing Non-Labor	\$48,833	\$2	\$24	94	\$29	96	\$42	91
System Maintenance	\$972,787	\$45	\$30	39	\$65	56	\$58	51
Field Labor	\$1,859,642	\$87	\$125	51	\$217	62	\$232	54
Outsourcing Fees	\$0	\$0	\$12	99	\$3	99	\$6	99
Total	\$3,619,796	\$169	\$288	62	\$502	94	\$477	86

State of Utah

COST STUDY



Time and Labor (Based on a peer group of 67 companies)

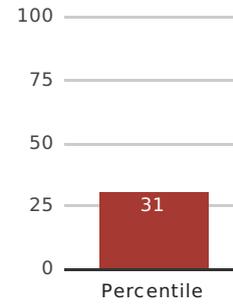
Component	Org. Totals	Org. Total (PEPY)	Benchmark Average (PEPY)	Org. %	Percentile Interpretation
System Implementation	\$0	\$0	\$10	99	If dollars are indicated in this cost component, it means simply that an event has happened within the last 3 years.
System Upgrade	\$0	\$0	\$0	99	If dollars are indicated in this cost component, it means simply that an event has happened within the last 3 years.
Processing Labor	\$472,618	\$22	\$241	69	This percentile rank indicates a high probability of an appropriate staffing level for time and labor management.
Processing Non-Labor	\$474	\$0	\$10	99	Because non labor costs are under 15% of labor costs, there is a possibility that some costs were not included in the survey.
System Maintenance	\$609,760	\$28	\$33	40	This percentile rank indicates investment that is likely to be well balanced between people process & technology.
Field Labor	\$3,524,216	\$165	\$556	48	Field Labor related to time labor management is not included in the overall TCO calculation due to different factors.
Outsourcing Fees	\$0	\$0	\$24	99	If dollars are indicated in this cost component, some portion of Time and Labor processing has been outsourced. This should provide some offset to processing labor.
Total w/o Field Labor	\$1,082,852	\$50	\$287	31	This percentile indicates significant opportunity for improvement in cost efficiency and risk mitigation
Total	\$4,607,069	\$215	N/A	N/A	Benchmark data is not available

State of Utah

COST STUDY

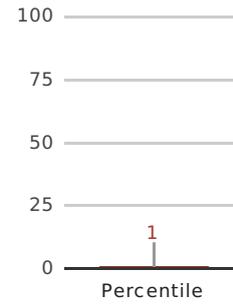


Total Database



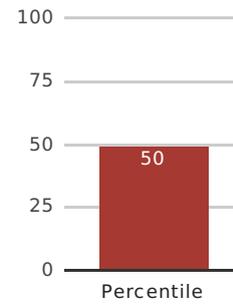
Based on a peer group of 67 companies

Size



Based on a peer group of 12 companies with more than 10,000 employees

Industry



Based on a peer group of 2 companies with industry Government

Benchmark data is not available for platform

Time and Labor

Component	Org. Totals	Org. Total (PEPY)	Size more than 10,000 12 Organizations		Industry Government 2 Organizations		Platform SAP 0 Organizations	
			Benchmark Average (PEPY)	Org. %	Benchmark Average (PEPY)	Org. %	Benchmark Average (PEPY)	Org. %
System Implementation	\$0	\$0	\$0	99	\$42	99	\$0	N/A
System Upgrade	\$0	\$0	\$0	99	\$0	99	\$0	N/A
Processing Labor	\$472,618	\$22	\$33	69	\$89	50	\$0	N/A
Processing Non-Labor	\$474	\$0	\$6	99	\$4	99	\$0	N/A
System Maintenance	\$609,760	\$28	\$12	40	\$44	50	\$0	N/A
Field Labor	\$3,524,216	\$165	\$90	48	\$225	50	\$0	N/A
Outsourcing Fees	\$0	\$0	\$0	99	\$0	99	\$0	N/A
Total w/o Field Labor	\$1,082,852	\$50	N/A	N/A	\$180	50	\$0	N/A
Total	\$4,607,069	\$215	N/A	N/A	N/A	N/A	N/A	N/A

HR Administration (Based on a peer group of 90 companies)

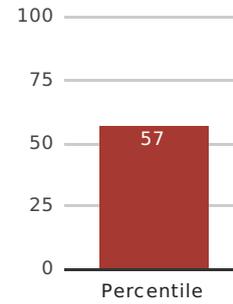
Component	Org. Totals	Org. Total (PEPY)	Benchmark Average (PEPY)	Org. %	Percentile Interpretation
System Implementation	\$0	\$0	\$8	99	If dollars are indicated in this cost component, it means simply that an event has happened within the last 3 years.
System Upgrade	\$0	\$0	\$37	99	If dollars are indicated in this cost component, it means simply that an event has happened within the last 3 years.
Processing Labor	\$1,303,716	\$61	\$204	57	Depending on the level of system investment, this percentile rank indicates a possibility for risk due to manual process or need for process change.
Processing Non-Labor	\$35,949	\$1	\$47	86	Because non labor costs are under 15% of labor costs, there is a possibility that some costs were not included in the survey.
System Maintenance	\$529,623	\$24	\$38	49	This percentile rank indicates investment that is likely to be well balanced between people process & technology.
Field Labor	\$17,557	\$0	\$10	99	This category provides insight into how much HR processing is decentralized or manual. The higher % this cost is of total cost, the more opportunity for improvement there is.
Outsourcing Fees	\$0	\$0	\$75	99	If dollars are indicated in this cost component, some portion of HR Administration processing has been outsourced. This should provide some offset to processing labor.
Total	\$1,886,846	\$88	\$269	57	This percentile indicates mediocre performance with opportunity for improvement in cost efficiency and risk mitigation

State of Utah

COST STUDY

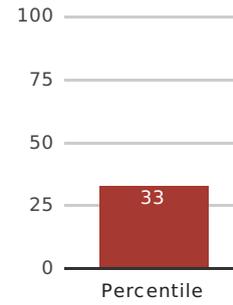


Total Database



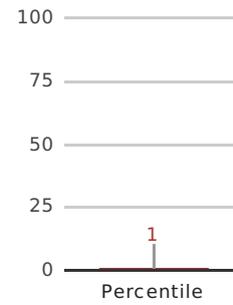
Based on a peer group of 90 companies

Size



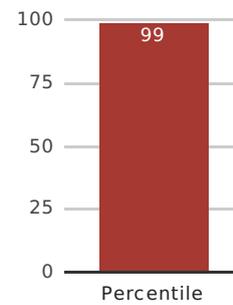
Based on a peer group of 18 companies with more than 10,000 employees

Industry



Based on a peer group of 3 companies with industry Government

Platform



Based on a peer group of 1 companies using In-House

HR Administration

Component	Org. Totals	Org. Total (PEPY)	Size more than 10,000 18 Organizations		Industry Government 3 Organizations		Platform In-House 1 Organizations	
			Benchmark Average (PEPY)	Org. %	Benchmark Average (PEPY)	Org. %	Benchmark Average (PEPY)	Org. %
System Implementation	\$0	\$0	\$3	99	\$0	99	\$0	99
System Upgrade	\$0	\$0	\$0	99	\$0	99	\$0	N/A
Processing Labor	\$1,303,716	\$61	\$83	57	\$52	33	\$7	1
Processing Non-Labor	\$35,949	\$1	\$63	86	\$6	99	\$47	99
System Maintenance	\$529,623	\$24	\$22	49	\$7	1	\$47	99
Field Labor	\$17,557	\$0	\$2	99	\$17	99	\$0	N/A
Outsourcing Fees	\$0	\$0	\$0	99	\$0	99	\$0	N/A
Total	\$1,886,846	\$88	\$169	33	\$37	1	\$103	99

Risk and Opportunity Costs

The TCO process helps to identify potential risks and opportunity costs.

As studies progress from defining Total Costs to creating Return on Investment, an understanding of system integration and seams, maintenance staff requirements, and service levels with providers helps to identify where risks can be mitigated and opportunities can be leveraged to drive savings.

The TCO study provides in depth understanding of processes, systems, and integration points that help identify these risks and opportunities so that organizations can implement risk avoidance and opportunity cost strategies.

Some examples of potential risks and opportunity costs are outlined below:

- Payroll
 - Payroll Inflation Rate
 - The Payroll inflation rate occurs due to the way time is collected and fed to payroll, the workflow and timing of payroll related transactions, and the effectiveness of payroll processing and audits.
 - Payroll error rates can be reduced by effectively deploying self-service tools that directly feed payroll and by designing time files that are effectively audited and loaded for processing.
- Time and Labor
 - Overtime Control
 - The extent to which Overtime is monitored and controlled using threshold reports that allow Manager's to make key decisions around employees selected to work overtime directly affects overtime spend.
 - Implementing effective, easy to access, and easy to use threshold reports and scheduling tools help drive down overtime spend.
 - Lost Time and Lost Leave
 - In organizations that do not use a "true punch" approach to record time, lost time and lost leave can occur.
 - Implementing time and leave reporting strategies that provide accurate reporting of time spent working and leaves taken, help reduce costs expended for hours not worked and leave overages.
- Benefits
 - Premiums and Claims Spend, dependent audit
 - In organizations where rules based, benefits administration strategy is not in place, premiums and claims are frequently paid for employees who do not qualify for claims paid or who are not eligible for coverage. Moreover, dependents that should not be on coverage remain.

- Implementing a rules based benefits administration strategy that is fully integrated to payroll and carrier interfacing helps to eliminate payment of unqualified claims, drives accuracy to help determine eligibility, and ensures that dependents drop when they do not qualify.
- FSA
 - Organizations who have FSA plans qualify for a tax allowance savings. Participation in plans drives the savings opportunity.
 - Active campaigns that educate employees about usage of pre-tax FSA dollars positively influences participation in the program and increase the savings opportunity.
- Recruiting
 - Tax Credits
 - A variety of tax credits are available to employers who hire employees who meet qualifying conditions.
 - If tracking tools are not in place or a strategy does not exist to capture qualifying information, apply for credits and track credit validations, the implementation of such controls can help organizations take advantage of tax credits.

Subsequent to collecting the TCO data, validating it with organization, and gaining an understanding of systems and processes, a detailed Return on Investment forecast will be provided to help identify these areas of opportunity and risk mitigation.

Appendix: Processing Labor

Payroll

Item				Cost	
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end payroll processing?				\$727,307	
Total FTE				Load Factor	Resource Cost
11.4465				0.55	\$727,307
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
State Payroll Technician	6000	\$35,446	3.0	\$106,339	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Manual Check Administration	5%	\$5,317	0.55	\$8,241	
Stop Payments / Reissue	2%	\$2,126	0.55	\$3,296	
Data Entry	15%	\$15,951	0.55	\$24,724	
Status Change/Form error Resolution	7%	\$7,443	0.55	\$11,537	
Workforce Q/A Support	33%	\$35,092	0.55	\$54,392	
Other Non-Specific	5%	\$5,317	0.55	\$8,241	
Auditing Time Cards/Time Sheets	9%	\$9,570	0.55	\$14,834	
Employment Verifications	5%	\$5,317	0.55	\$8,241	
Retroactive Adjustments	2%	\$2,126	0.55	\$3,296	
Garnishment Administration	17%	\$18,077	0.55	\$28,020	
Total				\$164,826	

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Payroll Trainer/Tester	1400	\$47,819	0.7	\$33,473
Task	Percentage	Cost	Load Factor	Loaded Cost
Other Non-Specific	100%	\$33,473	0.55	\$51,883
Total				\$51,883
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
State Payroll Manager	2000	\$94,023	1.0	\$94,023
Task	Percentage	Cost	Load Factor	Loaded Cost
Managing Payroll Department and Administrative duties	25%	\$23,505	0.55	\$36,433
Garnishment Administration	5%	\$4,701	0.55	\$7,286
Payroll Reporting	20%	\$18,804	0.55	\$29,147
Payroll Reconciliation	5%	\$4,701	0.55	\$7,286
Tax Filing Activities	20%	\$18,804	0.55	\$29,147
Preparing and running reports	10%	\$9,402	0.55	\$14,573
Workforce Q/A Support	10%	\$9,402	0.55	\$14,573
Retroactive Adjustments	5%	\$4,701	0.55	\$7,286
Total				\$145,735
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Assistant State Payroll Coordinator	2000	\$62,820	1.0	\$62,820
Task	Percentage	Cost	Load Factor	Loaded Cost
Retroactive Adjustments	5%	\$3,141	0.55	\$4,868

Free Market Protection and Privatization Board Preparing and running reports	5%	\$3,141	0.55	November 13, 2014 Agenda & Packet \$4,868
Manual Check Administration	5%	\$3,141	0.55	\$4,868
Garnishment Administration	5%	\$3,141	0.55	\$4,868
Stop Payments / Reissue	5%	\$3,141	0.55	\$4,868
Managing Payroll Department and Administrative duties	20%	\$12,564	0.55	\$19,474
Unemployment Processing	5%	\$3,141	0.55	\$4,868
Data Entry	5%	\$3,141	0.55	\$4,868
Payroll Reporting	5%	\$3,141	0.55	\$4,868
Workforce Q/A Support	25%	\$15,705	0.55	\$24,342
Status Change/Form error Resolution	10%	\$6,282	0.55	\$9,737
Tax Filing Activities	5%	\$3,141	0.55	\$4,868
Total				\$97,371

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
ERIC Staff	5000	\$26,538	2.5	\$66,346

Task	Percentage	Cost	Load Factor	Loaded Cost
Auditing Time Cards/Time Sheets	42%	\$27,865	0.55	\$43,191
Data Entry	45%	\$29,855	0.55	\$46,276
Preparing and running reports	13%	\$8,625	0.55	\$13,368
Total				\$102,836

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
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ERIC Staff	2668	\$26,658	1.334	\$35,562
Task	Percentage	Cost	Load Factor	Loaded Cost
Workforce Q/A Support	100%	\$35,562	0.55	\$55,121
Total				\$55,121
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DNR	1026	\$40,506	0.513	\$20,779
Task	Percentage	Cost	Load Factor	Loaded Cost
Total				\$0
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DPS	1625	\$29,868	0.8125	\$24,267
Task	Percentage	Cost	Load Factor	Loaded Cost
Total				\$0
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DTS	624	\$41,482	0.312	\$12,942
Task	Percentage	Cost	Load Factor	Loaded Cost
Total				\$0
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DOT	550	\$46,090	0.275	\$12,675
Task	Percentage	Cost	Load Factor	Loaded Cost
Total				\$0

Time and Labor

Item	Cost
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end TLM processing?	\$472,618
Total FTE	Load Factor Resource Cost

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
ERIC Supervisor	2000	\$40,319	1.0	\$40,319
Task	Percentage	Cost	Load Factor	Loaded Cost
Preparing and running payroll related reports per pay-period	100%	\$40,319	0.55	\$62,494
Total				\$62,494

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
ERIC Payroll Survey	5000	\$42,610	2.5	\$106,526
Task	Percentage	Cost	Load Factor	Loaded Cost
Auditing Time sheets	20%	\$21,305	0.55	\$33,023
Manually entering time data into a system	45%	\$47,936	0.55	\$74,301
Answering PTO balance inquiries, providing PTO information to supervisors and finance, manually tracking used PTO days	20%	\$21,305	0.55	\$33,023
Preparing and running payroll related reports per pay-period	15%	\$15,978	0.55	\$24,767
Total				\$165,115

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Payroll Tester/Trainer	600	\$47,819	0.3	\$14,345
Task	Percentage	Cost	Load Factor	Loaded Cost
Other Non-Specific	95%	\$13,628	0.55	\$21,124
Inquiry / email resolution from Managers and Employees	5%	\$717	0.55	\$1,111
Total				\$22,235

Name	Est. Hrs Yr	Annual Salary	FTE	Cost

Task	Percentage	Cost	Load Factor	Loaded Cost
Total				\$0
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DOT	6647	\$39,342	3.3235	\$130,754
Task	Percentage	Cost	Load Factor	Loaded Cost
Total				\$0

HR Administration

Item	Cost			
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end HR Administration?	\$1,303,716			
Total FTE	Load Factor			
20.9890	0.55			
Resource Cost	\$1,303,716			
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Marianne Schow	1210	\$34,320	0.605	\$20,763
Task	Percentage	Cost	Load Factor	Loaded Cost
Updating Employee Information	50%	\$10,381	0.55	\$16,091
Searching documents and reproducing lost documents	5%	\$1,038	0.55	\$1,609
Filing HR related documents and records	10%	\$2,076	0.55	\$3,218
Researching HR issues	5%	\$1,038	0.55	\$1,609
Auditing employee records	30%	\$6,229	0.55	\$9,655
Total				\$32,183
Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Jan Stireman	2080	\$26,166	1.04	\$27,212
Task	Percentage	Cost	Load Factor	Loaded Cost

Updating Employee Information	50%	\$13,606	0.55	\$21,089
Auditing employee records	30%	\$8,163	0.55	\$12,653
Researching HR issues	5%	\$1,360	0.55	\$2,108
Filing HR related documents and records	10%	\$2,721	0.55	\$4,217
Searching documents and reproducing lost documents	5%	\$1,360	0.55	\$2,108
Total				\$42,179

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Matt Romney	2080	\$40,788	1.04	\$42,419

Task	Percentage	Cost	Load Factor	Loaded Cost
Other Non-Specific	70%	\$29,693	0.55	\$46,025
Researching HR issues	30%	\$12,725	0.55	\$19,725
Total				\$65,750

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Field Staff	36608	\$41,013	18.304	\$750,711

Task	Percentage	Cost	Load Factor	Loaded Cost
Generating and distributing reports	11%	\$82,578	0.55	\$127,996
Updating Employee Information	22%	\$165,156	0.55	\$255,992
Researching HR issues	31%	\$232,720	0.55	\$360,716
Auditing employee records	9%	\$67,564	0.55	\$104,724
Filing HR related documents and records	16%	\$120,113	0.55	\$186,176

Free Market Protection and Privatization Board Developing Reports	11%	\$82,578	0.55	November 13, 2014 Agenda & Packet \$127,996
Total				\$1,163,602

Recruiting and On-Boarding

Item				Cost	
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end Recruiting and On-Boarding?				\$97,426	
Total FTE				Load Factor	Resource Cost
21.7445				0.55	\$1,360,983
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
ERIC Staff	2080	\$27,778	1.04	\$28,889	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Total			\$0		
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
Field Staff	41409	\$41,013	20.7045	\$849,164	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Supporting employees in On Boarding Activities	2%	\$16,983	0.55	\$26,324	
Teaching courses	2%	\$16,983	0.55	\$26,324	
Total				\$52,648	

Compensation

Item				Cost	
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end Compensation processing?				\$309,163	
Total FTE				Load Factor	Resource Cost
2.4200				0.55	\$309,163
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
Agency HR Director	2300	\$82,000	1.15	\$94,299	
Task	Percentage	Cost	Load Factor	Loaded Cost	

Total					\$0
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
John Mathews	1500	\$100,000	0.75	\$75,000	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Total					\$0
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
Paul Morley	1040	\$58,000	0.52	\$30,160	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Total					\$0

Performance Management

Item					Cost
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end Performance Management processing?					\$50,568
Total FTE					Load Factor
0.5750					0.55
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
HR Field UPM Analysts	650	\$47,000	0.325	\$15,275	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Tracking status of performance planning	10%	\$1,527	0.55	\$2,367	
Supporting Managers and Employees with Quesitons	30%	\$4,582	0.55	\$7,102	
Tracking status of performance evaluations	10%	\$1,527	0.55	\$2,367	
Communicating coroporate guidelines	50%	\$7,637	0.55	\$11,838	
Total					\$23,676
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	

Free Market Protection and Privatization Board				November 13, 2014 Agenda & Packet	
Rick Hughes	300	\$89,000	0.15	\$13,349	
Task		Percentage	Cost	Load Factor	Loaded Cost
Supporting Managers and Employees with Quesitons		60%	\$8,010	0.55	\$12,415
Tracking status of performance planning		10%	\$1,335	0.55	\$2,069
Other Non-Specific		30%	\$4,005	0.55	\$6,207
Total					\$20,692
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
Gary Schow	200	\$40,000	0.1	\$4,000	
Task		Percentage	Cost	Load Factor	Loaded Cost
Tracking status of performance evaluations		20%	\$800	0.55	\$1,240
Supporting Managers and Employees with Quesitons		60%	\$2,400	0.55	\$3,720
Tracking status of performance planning		20%	\$800	0.55	\$1,240
Total					\$6,200

Learning Management

Item				Cost	
How many Full-Time Equivalent employees (FTEs) are required to provide end-to-end Learning Management processing?				\$90,975	
Total FTE				Load Factor	Resource Cost
0.9800				0.55	\$90,975
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
Several	500	\$52,936	0.25	\$13,234	
Task		Percentage	Cost	Load Factor	Loaded Cost
Integrating training results into employee records		20%	\$2,646	0.55	\$4,102

Enrolling employees in training	20%	\$2,646	0.55	\$4,102
Tracking course completion	20%	\$2,646	0.55	\$4,102
Managing training logistics (scheduling resources, facilities etc.)	20%	\$2,646	0.55	\$4,102
Helping employees select applicable courseware	20%	\$2,646	0.55	\$4,102
Total				\$20,512

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Gary	500	\$47,500	0.25	\$11,875
Task	Percentage	Cost	Load Factor	Loaded Cost
Total			\$0	

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
HR field staff	100	\$43,000	0.05	\$2,150
Task	Percentage	Cost	Load Factor	Loaded Cost
Total			\$0	

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DHRM IT	120	\$55,000	0.06	\$3,299
Task	Percentage	Cost	Load Factor	Loaded Cost
Total			\$0	

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Chris	700	\$77,480	0.35	\$27,117
Task	Percentage	Cost	Load Factor	Loaded Cost
Other Non-Specific	64%	\$17,355	0.55	\$26,901
Teaching courses	3%	\$813	0.55	\$1,260

Integrating training results into employee records	29%	\$7,864	0.55	\$12,189
Enrolling employees in training	1%	\$271	0.55	\$420
Managing training logistics (scheduling resources, facilities etc.)	3%	\$813	0.55	\$1,260
Total				\$42,032

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Jared	20	\$44,658	0.01	\$446

Task	Percentage	Cost	Load Factor	Loaded Cost
Managing training logistics (scheduling resources, facilities etc.)	25%	\$111	0.55	\$173
Other Non-Specific	25%	\$111	0.55	\$173
Enrolling employees in training	25%	\$111	0.55	\$173
Teaching courses	25%	\$111	0.55	\$173
Total				\$692

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Quinten	20	\$57,054	0.01	\$570

Task	Percentage	Cost	Load Factor	Loaded Cost
Teaching courses	25%	\$142	0.55	\$221
Enrolling employees in training	25%	\$142	0.55	\$221
Managing training logistics (scheduling resources, facilities etc.)	25%	\$142	0.55	\$221
Other Non-Specific	25%	\$142	0.55	\$221
Total				\$884

Appendix: Processing Non-Labor

Payroll

Item	Cost
What are the annual costs related to compliance with Sarbanes Oxley for 404 and 302 review?	\$0
What are the total average annual fines and penalties paid to state and federal agencies?	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$833
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,452
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$7,225
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,555
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$200

Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,500
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$1,800
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$218
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,219
What are the total annual banking fees for your payroll accounts, including maintenance fees, manual check charges, stop payment charges, etc.?	\$24,700
Facility Costs - PNL	\$0
What are the total average annual settlements and legal related fees for wage related law suits?	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$400
Corporate Overhead Costs - PNL	\$730

Time and Labor

Item	Cost
Facility Costs - PNL	\$0
Corporate Overhead Costs - PNL	\$474

HR Administration

Item	Cost
Facility Costs - PNL	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$12,558
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0

Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$683
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,264
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$5,304
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$4,440
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$814
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$4,054
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$403
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,085
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Corporate Overhead Costs - PNL	\$1,339

Recruiting and On-Boarding

Item	Cost
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0

Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$13,876
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$10,202
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,545
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$12,669
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$1,261
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$9,642
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$39,245
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,135
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$16,576
Corporate Overhead Costs - PNL	\$1,387

Facility Costs - PNL

\$0

Compensation

Item	Cost
Facility Costs - PNL	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$341
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$1,632
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,652
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,220
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$407
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,027
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$201

Please indicate the total annual general & administrative cost directly related to this section's activities.	\$1,542
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$6,279
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Corporate Overhead Costs - PNL	\$154

Performance Management

Item	Cost
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,978
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$610
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,314
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$512
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$9,418
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$302
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0

Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,040
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$0
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$3,330
Please indicate the total annual general & administrative cost directly related to this section's activities.	\$2,448
Facility Costs - PNL	\$0
Corporate Overhead Costs - PNL	\$36

Learning Management

Item	Cost
Corporate Overhead Costs - PNL	\$62
Facility Costs - PNL	\$0

Appendix: System Maintenance

Payroll

Item	Cost
Payroll Deployment Configuration	\$21,433
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0

Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$195,996	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$425,324	
Facility Costs - SMNL				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$88,843	
Please indicate the annual total of other direct costs directly related to this section.				\$204,690	
Corporate Overhead Costs - SMNL				\$21	
How many FTEs are involved in IT maintenance for this section?				\$36,477	
Total FTE				Load Factor	Resource Cost
0.3320				0.55	\$36,477
Name	Est. Hrs Yr	Annual Salary	FTE	Cost	
DTS	664	\$70,886	0.332	\$23,534	
Task	Percentage	Cost	Load Factor	Loaded Cost	
Total				\$0	

Time and Labor

Item	Cost
Time and Labor Deployment Configuration	\$9,185
Please indicate the annual total of other direct costs directly related to this section.	\$182,282
Please indicate the annual total of other direct costs directly related to this section.	\$83,998

Free Market Protection and Privatization Board				November 13, 2014 Agenda & Packet	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$0	
Facility Costs - SMNL				\$0	
Please indicate the annual total of other direct costs directly related to this section.				\$88,483	
Please indicate the annual total of other direct costs directly related to this section.				\$106,464	
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities				\$14,000	
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities				\$88,483	
How many FTEs are involved in IT maintenance for this section?				\$36,842	
Total FTE				Load Factor	Resource Cost
0.3320				0.55	\$36,842
Name	Est. Hrs Yr		Annual Salary	FTE	Cost
DTS	664		\$71,594	0.332	\$23,769
Task	Percentage	Cost	Load Factor		Loaded Cost
Total				\$0	
Corporate Overhead Costs - SMNL					\$21

HR Administration

Item	Cost
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Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$529,623
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0

Recruiting and On-Boarding

Item	Cost
How many FTEs are involved in IT maintenance for this section?	\$0
Facility Costs - SMNL	\$0
Recruiting and On-Boarding Deployment Configuration	\$0
Corporate Overhead Costs - SMNL	\$0

Compensation

Item	Cost
Compensation Deployment Configuration	\$0

Performance Management

Item	Cost
How many FTEs are involved in IT maintenance for this section?	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0

Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Please indicate the total annual general & administrative cost directly related to this section's IT maintenance activities	\$0
Corporate Overhead Costs - SMNL	\$0
Facility Costs - SMNL	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$18,500
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Please indicate the annual total of other direct costs directly related to this section.	\$0
Performance Management Deployment Configuration	\$0

Learning Management

Item	Cost
Facility Costs - SMNL	\$0

Corporate Overhead Costs - SMNL	\$56
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How many FTEs are involved in IT maintenance for this section?	\$93,705
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Total FTE	Load Factor	Resource Cost
0.8800	0.55	\$93,705

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Jared	20	\$44,657	0.01	\$446

Task	Percentage	Cost	Load Factor	Loaded Cost
Help desk/end-user support	100%	\$446	0.55	\$692
Total				\$692

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
DHRM IT	40	\$65,000	0.02	\$1,300

Task	Percentage	Cost	Load Factor	Loaded Cost
Total			\$0	

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Quinten	700	\$57,054	0.35	\$19,968

Task	Percentage	Cost	Load Factor	Loaded Cost
Help desk/end-user support	25%	\$4,992	0.55	\$7,737
Other Non-Specific	75%	\$14,976	0.55	\$23,213
Total				\$30,951

Name	Est. Hrs Yr	Annual Salary	FTE	Cost
Chris	1000	\$77,480	0.5	\$38,740

Task	Percentage	Cost	Load Factor	Loaded Cost

Free Market Protection and Privatization Board	75%	\$29,055	0.55	November 12, 2014 Agenda & Packet
Other Non-Specific				\$15,035
Help desk/end-user support	25%	\$9,685	0.55	\$15,011
Total				\$60,047

Appendix: Field Labor

Payroll

Item	Cost
Hours per month Manager answering PTO balance inquiries, etc.	\$0
Minutes per time sheet calculating pay policies and rules	\$0
Minutes spent by Manager auditing manual time sheet	\$0
Hours per month Manager tracking, filing, and administering disciplinary policy	\$0
Managers Distributing Checks	\$0
Hours per month Manager entering time data into system	\$0
Hours per month Manager producing time sheets	\$0
Minutes per week approving time	\$1,859,642

Time and Labor

Item	Cost
Minutes spent by Manager auditing manual time sheet	\$0
Hours per month Manager producing reports	\$0
Hours per month Manager producing time sheets	\$0

Hours per month Manager entering time data into system	\$0
Minutes per time sheet calculating pay policies and rules	\$0
Hours per month Manager answering PTO balance inquiries, etc.	\$1,170,404
Minutes per week approving time	\$0
Hours per month Manager tracking, filing, and administering disciplinary policy	\$1,170,404
Time Editing/Changing Employee Schedules	\$0
Time Managing/Planning Employee Schedules	\$0
Minutes per week Manager monitoring and approving vacation	\$1,183,408

HR Administration

Item	Cost
Managers processing transactions	\$17,557

Recruiting and On-Boarding

Item	Cost
How many hours per week does a typical Manager spend doing hiring activities?	\$2,028,700

Compensation

Item	Cost
How many hours are spent per year by the average Manager working on Employee Compensation?	\$195,067

Performance Management

Item	Cost
Hours annually Managers in performance management cycle	\$0
Hours annually Managers evaluating an employee	\$3,800,215

Hours annually Managers aligning corporate initiatives and planning goals

\$5,266,818

Learning Management

Item	Cost
Hours annually Managers supporting learning activities	\$780,269

Appendix: System Implementation

Payroll

Item	Cost
What were the costs associated with your initial implementation?	\$4,111,802

Time and Labor

Item	Cost
What were the costs associated with your initial implementation?	\$240,000

HR Administration

Item	Cost
What were the costs associated with your initial implementation?	\$400,000

Recruiting and On-Boarding

Item	Cost
What were the costs associated with your initial implementation?	\$114,200

Compensation

Item	Cost
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Performance Management

Item	Cost
What were the costs associated with your initial implementation?	\$250,000

Learning Management

Item	Cost
What were the costs associated with your initial implementation?	\$200,241

Appendix: System Upgrade

Payroll

Item	Cost
What are the estimated costs planned for the next upgrade?	\$40,000
What were the costs associated with your last upgrade?	\$33,679

Time and Labor

Item	Cost
What were the costs associated with your last upgrade?	\$58,800

HR Administration

Item	Cost
What are the estimated costs planned for the next upgrade?	\$626,546

Recruiting and On-Boarding

Item	Cost
What were the costs associated with your last upgrade?	\$0

Compensation

Item	Cost
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Performance Management

Item	Cost
What are the estimated costs planned for the next upgrade?	\$45,000

\$25,000

Learning Management

Item	Cost
What are the estimated costs planned for the next upgrade?	\$2,000
What were the costs associated with your last upgrade?	\$1,675

Appendix: Outsourcing Fees

Payroll

Item	Cost
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Time and Labor

Item	Cost
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HR Administration

Item	Cost
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Recruiting and On-Boarding

Item	Cost
------	------

Compensation

Item	Cost
------	------

Performance Management

Item	Cost
------	------

Learning Management

Item	Cost
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Appendix: Risk and Opportunity

Payroll

Item	Cost
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Time and Labor

Item	Cost
Wage and Hours Risk Penalty Avoidance	\$29,353,195
Unscheduled Absenteeism	\$0
Affordable Healthcare	\$0
FICA Tips Credit	\$0
Daily Lost Leave (Salary)	\$0
Overtime Control	\$19,323,000
Daily Lost Leave (Hourly)	\$0
Daily Lost Time (Hourly)	\$0
Minutes per day Employees recording time on manual timesheets	\$0
Payroll Inflation	\$0
Biometric Clock Impact	\$0
Minutes per day Employees recording time in automated system	\$2,019,637

HR Administration

Item	Cost
Potential ICE I-9 Audit Penalties	\$233,890
Payroll Inflation	\$57,969,000
Failure to File EEO1 Report	\$116,945

Employees processing transactions	\$2,656
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Recruiting and On-Boarding

Item	Cost
Tax Credit Opportunities	\$0
Hours per New Hire doing On-Boarding activities	\$42,208
Hours per New Hire doing I-9	\$52,761

Compensation

Item	Cost
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Performance Management

Item	Cost
Hours annually employees reviewing goals with Manager	\$6,654,200
Hours annually employee goal planning and performance evaluation	\$5,175,489

Learning Management

Item	Cost
Hours annually employees reviewing course material and enrolling in training	\$3,696,778

State of Utah

Division of Purchasing



Request for Information

State Property Damage Subrogation

RFI Number: MP15902 RFI
Date Issued: Oct. 9, 2014
Questions Due: Oct. 28, 2014 by 11:00 am MST
RFI Date Due: Nov. 5, 2014 by 11:00 am MST

NOTICE

This solicitation is a Request for Information (RFI) only. It is NOT a solicitation for quotations, bids or proposals. No contract award will result from this RFI. The information received from this RFI will be analyzed and may be used to develop a subsequent request for proposals (RFP).

1. INTRODUCTION

1.1 Purpose

The purpose of this RFI is for the Governor's Office of Management and Budget (GOMB), and certain other agencies, to better understand the business and offerings of qualified property damage subrogation firms, or other similar companies, in relation to property damage subrogation activities.

This RFI, having been determined to be the appropriate method to provide the best information, is designed to provide interested offerors with sufficient information to submit replies meeting the intent of the request. It is not intended to limit a respondent's content or exclude any relevant or essential data.

1.2 Background

The Free Market Protection and Privatization Board (the Board) was established by the Utah State Legislature to "determine whether an activity provided by an agency could be privatized to provide the same types and quality of a good or service that would result in cost savings" (UCA 63I-4a-203(1)(a)). The Board is staffed by the Governor's Office of Management and Budget.

In support of the duties of the Board, the Governor's Office of Management and Budget, with the cooperation of certain other state and local agencies, is reviewing the State's process(es) for property damage subrogation, including but not limited to recoveries, subrogation placements, and collections.

This Request for Information (RFI) seeks to obtain information, comments, suggestions, technical or otherwise, that will inform the State as to best practices, scope of services, and approaches to recovery of damages.

Currently, property damage subrogation by state agencies is handled directly by that agency or by agreement with the Division of Risk Management and collections by the Office of State Debt Collection. With reference to collections, multiple state cooperative contracts for debt collection for the use of all State agencies and its political subdivisions have been established. It is unclear at this time how any RFP that might follow this RFI would affect those existing state cooperative contracts.

Political subdivisions such as cities, towns, counties, and special districts handle property damage subrogation in many different ways. One or more political subdivision may be interested in using the information gleaned from the responses to this RFI to create their own RFP or may wish to take advantage of any state contract resulting from a state-issued RFP.

For your consideration, some relevant statutes and rules applicable to:

- Division of Risk Management are found in Utah Code Annotated (UCA) 63A-4 and Utah Administrative Code (UAC) Rule R37;
- Office of State Debt Collection are found in UCA 63A-3 and UAC Rule R21;
- Department of Transportation include UCA 41-6a-409 - Prohibition of flat response fee for motor vehicle accident, UCA 72-7-301 - Liability for damage to highway, highway equipment, or highway sign, and UAC Rule R907-63 - Structure Repair and Loss Recovery Procedure.

2.0 General Information Requested by this RFI

Information requested by this RFI is intended to identify best practices, industry standards, performance standards, and innovations relative to subrogation.

Subrogation is defined as seeking reimbursement or collection from a party which caused damage to a governmental entity's property.

Property, for purposes of this RFI, includes such things as landscaping, road signs, traffic signals, delineator posts, light poles, electronic messaging signs, median barriers, etc. but does not include certain properties covered by a governmental entity's self-insurance property policy, such as buildings, contents and vehicles.

Respondents are requested to include information on processing and collections, non-judicial collections activities, and any other information that may assist GOMB in assessing potential for outsourcing these activities.

Please answer the following questions in your RFI response:

1. Please describe in detail the services your firm offers with respect to property damage subrogation? How are service packages structured (for example, are services available a la carte)? (Scope of services)
2. Relevant to the services described in question #1 above, please describe in detail how your firm would develop a process for collection of property damage subrogation. (Process development)

3. Relevant to the services described in question #1 above, please describe in detail how your firm would monitor a governmental entity's property (for example, the state highway system or state parks) for damage to installations or facilities, roads, or other property not covered by the governmental entity's self-insurance fund. (Monitoring)
4. Relevant to the services described in question #1 above, please describe in detail how your firm would document property damage subrogation activities; this includes the preparation of repair estimates, invoices, other documentation and resources as required, payment receipts, revenue sharing, and disposition of salvage. (Documentation)
5. Relevant to the services described in question #1 above, please describe in detail how your firm would fulfill reporting and remittances requirements for new property damage incidents, new investigations, settlement negotiations, claims concluded, case summaries, etc. (Reporting and remittances)
6. Relevant to the activities described in questions #2-4 above, please explain in detail the process(es) and information to be provided by the governmental entity necessary to complete the activities described. (Processes)
7. Please describe the protocols and requirements your firm would use to protect the governmental entity's information. (Data protection)
8. Please describe in detail typical and appropriate requirements for liability insurance, professional licensing, etc. for a contractor for the services described in question #1 above. (Insurance and licensing)
9. Without providing any specific cost data, figures, numbers or amounts, describe the manner or form in which your firm is paid for the services listed in question #1? (Payments)
10. Please provide an overview of your firm's experience, performance and qualifications in the area of property damage subrogation. (Qualifications)
11. Please provide any other information you feel is relevant to property damage subrogation. (Other information)