



# FINAL REPORT

## State Government Efficiency Review Committee

January 2016

### MEMBERS:

Senator Jeff Danielson, Co-chairperson  
Senator Jake Chapman  
Senator Robert E. Dvorsky  
Senator Robert Hogg  
Senator Jack Whitver

Representative Guy Vander Linden, Co-chairperson  
Representative Vicki S. Lensing  
Representative Mary Mascher  
Representative Dawn E. Pettengill  
Representative Ralph C. Watts

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### AUTHORIZATION AND APPOINTMENT

The State Government Efficiency Review Committee is established in Iowa Code §2.69. The committee's charge is to meet, as directed by the Legislative Council, every two years to review state government organization and efficiency options and receive state government efficiency suggestions offered by the public and public employees.



## State Government Efficiency Review Committee

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### I. Committee Proceedings

The committee was authorized to conduct one meeting during the 2015 Legislative Interim. The committee met on Thursday, October 29, 2015, in Room 116 of the State Capitol.

### II. Information Technology Efficiencies

Mr. Robert von Wolfradt, Chief Information Officer (CIO), reviewed the efforts of the Office of the Chief Information Officer (OCIO) related to the standardization of state records retention and the security of the state's information technology (IT) infrastructure. Mr. von Wolfradt discussed the impact of Iowa's record retention laws on the state's information storage practices, noting that state agencies maintain over 15,000 suspended e-mail accounts from former employees, requiring over 10 terabytes of data storage and potentially translating to 858 million pages of printed text. He also discussed certain state contracts with Google Inc. and the progress of litigation over past contracts with Microsoft Corporation. Mr. von Wolfradt noted the operability of a new public comment Internet site for agency policy documents, available at: <https://comment.iowa.gov/>. He discussed additional issues related to IT security, state spending on IT, centralized purchasing, centralized printing, centralized payroll systems, and statewide broadband coordination under 2015 Iowa Acts, chapter 120. Since the committee meeting, the OCIO has expanded the state's public comment platform to coordinate with the Legislature's Internet site for Improving State Government. The OCIO has also submitted additional requested materials, but outstanding committee member requests remain for the following:

- A previously produced graphic on how often the state IT infrastructure is attacked.
- Graphical information on the state's progress toward centralized printing.
- Information on the state's IT vulnerabilities.

### III. Cost-Benefit Analysis Model and Recommendations

Ms. Monica Sharma, Senior Associate, Pew-MacArthur Results First Initiative, and Ms. Sarah Galgano, Senior Associate, Pew-MacArthur Results First Initiative, presented information on the work of the Pew-MacArthur Results First Initiative (RFI) with the Iowa Department of Corrections and with other states. Ms. Sharma noted RFI's collaborative approach in working with Iowa and other states to build capacity for developing and reviewing performance of public policies. Ms. Sharma also discussed issues related to zero-based budgeting and performance-based budgeting. Ms. Galgano explained the uses, benefits, and limitations of statistical outputs from RFI's public policy modeling software.

Ms. Lettie Prell, Director of Research, Department of Corrections, discussed her department's relationship with RFI and returns on investment observed under Iowa corrections programming. Mr. Steve Michael, Administrator, Criminal and Juvenile Justice Planning Division (CJJP), Department of Human Rights, discussed RFI's capacity-building efforts with CJJP in program evaluation and the potential for expanding the state's program evaluation efforts. The presenters submitted additional requested information.



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## IV. Transparent, Inclusive Efficiency Review Overview and Implementation

Mr. Mark Braun, Interim Chief Operating Officer, Board of Regents (Board), discussed the process of establishing, completing, and implementing the Board's Transparent, Inclusive Efficiency Review and presented information on current trends and pressures in higher education. He noted the Board's contracting with consultants to complete the review and its implementation, and explained current efficiency efforts, specifically business cases in the areas of information technology, finance, and human resources. He then discussed enrollment management, e-learning, and space utilization as additional areas for efficiencies. Mr. Braun also noted the current operability of a uniform application platform for students interested in attending any of the state's three public universities. The Board submitted additional previously requested information.

## V. Design-Build Contracting at Regents Institutions

Mr. Dean McCormick, Director of Design and Construction Services, Iowa State University, discussed the different project delivery systems used in construction projects at Regents institutions and provided comparative information on the explicitly permissible use of design-build contracting at the federal level and in 46 states. He also provided information on the types of construction projects that merit the use of design-build contracting, noting the benefits that such contracting provides for simple, repeatable, and time-sensitive construction projects. Mr. Rodney Lehnertz, Interim Senior Vice President for Finance and Operations and Director of Planning, Design, and Construction, University of Iowa, presented case studies contrasting university experiences with similar projects that were under design-bid-build and design-build contracting procedures. Mr. Lehnertz also noted that the Regents institutions currently utilize design-bid-build procedures in 96 percent of construction projects and only utilize design-build procedures in the remaining 4 percent of projects. Mr. McCormick and Mr. Lehnertz expressed confidence that the Regents institutions currently have the legal and statutory authority to use design-build procedures as an alternative delivery method. The Board submitted additional previously requested information.

Mr. Jim Simmons, Executive Vice President, Russell Construction, presented information on his firm's experience in fulfilling design-build contracts with Regents institutions and noted that alternative project delivery allows greater collaboration between architects and builders. He stated that design-bid-build and design-build contracting are both viable and that proper selection of a project delivery method can lead to better project outcomes.

## VI. Efficiencies of Design-Bid-Build

Mr. Doug Struyk, Legal Counsel, Iowa Competitive Bidding Alliance (ICBA), provided background on the legislative and judicial history of design-bid-build procedures in Iowa, and discussed the statutory provisions for public sector construction contracting contained in Iowa Code chapter 26 and Iowa Code section 262.34. Mr. Struyk asserted that the Regents institutions currently do not



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have the legal or statutory authority to use design-build procedures as an alternative delivery method. He then led the committee through a review of bidding and construction documents produced by Regents institutions and noted the benefits in design-bid-build procedures in public sector construction. Mr. Struyk also provided information on proposed legislation in the 2015 Legislative Session (HF 450 and amendment H-1159) that is supported by the Iowa Competitive Bidding Alliance.

### VII. Committee Recommendations

The committee agreed to the following recommendations:

- Allow Legislative Services Agency (LSA) staff to receive additional presenter materials.
- Require LSA to coordinate usage of the CIO's public comment internet site, through January 14, 2016, for receiving public comment related to the efforts of the committee.
- Require LSA to compile and issue a final report to the General Assembly, as required under Iowa Code section 2.69, consisting of the materials received by the committee.

Submissions to the committee requests are listed in Part VIII of this report, Materials Filed with the Legislative Services Agency. Members of the public may make recommendations for improving state government at either of the following Internet Sites:

<https://www.legis.iowa.gov/apps/feedback/respond?q=2>

<https://comment.iowa.gov/Info/Improving-State-Government>

### VIII. Materials Filed with the Legislative Services Agency

The following materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Committee Documents" link on the committee's Internet Site:

<https://www.legis.iowa.gov/committees/meetings/documents?committee=578&ga=ALL>

1. LSA - Fiscal Topic - Improving State Government Website
2. LSA - Materials Distributed - Iowa Code Section 2.69
3. LSA - Materials Distributed - Iowa Code Chapter 8B
4. LSA - Materials Distributed - Iowa Code Section 262.34
5. LSA - Materials Distributed - Attorney General Opinion 94-4-2
6. LSA - Interim Committee Documents - Span of Control Update - October 2015
7. LSA - Interim Committee Documents - Span of Control - Board of Regents - 2015 Report
8. OCIO - Handout 10-29-2015
9. OCIO - Public Comment Background
10. OCIO - Presentation
11. OCIO - IT Governance Organization Chart October 2015
12. OCIO - Connect Iowa Broadband Maps



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13. RFI - 2015 Overview
14. RFI - Results First Iowa Progress Report
15. RFI - Presentation
16. RFI - Model Outputs Handout
17. RFI - Legislation Brief - March 2015
18. RFI - Defining Levels of Evidence
19. RFI - DOC Handout on ROI of Offender Programs
20. RFI - CJJP Handout
21. BOR - TIER Presentation
22. BOR - TIER Letter
23. BOR - FY 2016 TIER Briefing
24. BOR - Design Build Discussion Outline
25. BOR - Design Build Comparison Handout
26. BOR - Design Build - Legal Analysis
27. BOR - 2015 Design Build Update
28. ICBA - Presentation Materials
29. ICBA - Exhibit A - BOR Policy Manual 9.07(F)
30. ICBA - Exhibit B - BOR Prop and Fac Committee 9.12.12
31. ICBA - Exhibit C - Design Build Bid Tabs

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