

THE STANDARD



ND OFFICE OF MANAGEMENT AND BUDGET

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CENTRAL SERVICES PROCUREMENT THRESHOLD CHANGE DELAYED

OMB has made the decision to delay implementation of the threshold change. In light of changing economic conditions and revenue uncertainty, OMB believes it is prudent to keep the current competition thresholds in place, perhaps through the end of the biennium. The current OMB competitive thresholds for procurement of goods, services, and printing are:

- *Level 1: Purchases \$2,500 and below.* Use adequate procedures to ensure commodities and services are obtained at a fair and reasonable price, which may include soliciting only one informal bid or proposal.
- *Level 2: Purchases \$2,500.01 to \$25,000.* Solicit no fewer than three vendors, insofar as practical, to submit oral or written informal bids or proposals.
- *Level 3: Purchases over \$25,000.* Solicit formal sealed bids or proposals with notice to approved bidders on the State Bidders List and post on the State Procurement Online.

ALTERNATE PROCUREMENT PROCEDURES CHANGING

OMB will implement the changes to the Alternate Procurement Request approval process on July 1, 2016. These changes are to improve procedures so noncompetitive decisions are reviewed by someone outside the requesting agency.

- *Level 1: Purchases \$2,500 and below.* No Alternate Procurement Request form required.
- *Level 2 and Level 3: Purchases over \$2,500.* Submit Alternate Procurement Request form to OMB using the online SPO Work Request system. A state procurement officer will timely review the Alternate Procurement Request.

Central Services continued on page 2

INFORMATION TECHNOLOGY PURCHASES

ITD must review all information technology purchases and Alternate Procurement Requests \$25,000 and over. Law requires an executive branch agency conducting a major IT project (\$500,000 and over) to collaborate with ITD and OMB, in consultation with the Attorney General's Office on the procurement, contract negotiation and contract administration.

DELEGATED AUTHORITY: AGENCIES MAY OBTAIN PURCHASING SERVICES FROM THE STATE PROCUREMENT OFFICE

OMB delegates purchase authority to agencies that have trained procurement staff. OMB has three levels of certification: Level 1 (purchases \$2,500 and below), Level 2 (purchases over \$2,500 up to \$25,000), and Level 3 (purchases over \$25,000).

OMB understands that not all agencies have procurement staff, and some agencies purchase very infrequently. Agencies are not required to do their own procurement. Your agency may submit purchase requests to the State Procurement Office, and an OMB state procurement officer will work with your agency staff to prepare bids and requests for proposals (RFPs).

Contact Sherry Neas at 701-328-1726 if you have questions about the delay in the implementation of the threshold change, change in Alternate Procurement procedures, or suggestions related to procurement.

SURPLUS STATE CELL PHONES AND ELECTRONIC DEVICES

Wondering what to do with old or unused cell phones and electronic devices? Cellular phones and other electronic devices purchased by the state are subject to the same surplus property practices as other state property. State Surplus Property will redistribute these items the same as other surplus office furniture and equipment. State agencies and political subdivisions have the first opportunity to purchase the surplus cell phones and electronic devices. Entities needing these items can request they be contacted when items become available, as cell phones and electronic devices, especially Apple products, move quickly. Items that remain are then put out for general public sale, which means that items can be purchased for personal use. For questions regarding surplus cell phones and electronics contact State Surplus Property at 701.328.9665 or surplus@nd.gov.

HUMAN RESOURCE MANAGEMENT SERVICES

USDOL ISSUES FINAL RULE REGARDING OVERTIME REGULATIONS

On May 18, 2016, the U.S. Department of Labor (USDOL) announced their Final Rule revising overtime pay regulations that will take effect on December 1, 2016. The Final Rule focuses primarily on updating the minimum salary level required for a position to qualify for an Executive, Administrative or Professional exemption to the Fair Labor Standards Act (FLSA) overtime pay requirements. The new minimum salary for exemption is \$913/week, or \$47,476 annually, and this limit will be indexed for an automatic adjustment every three years. For more information, see <https://www.dol.gov/whd/overtime/final2016/index.htm>.

The USDOL has also issued a Fact Sheet entitled "Overtime Final Rule and State and Local Governments", which is available at <https://www.dol.gov/sites/default/files/overtime-government.pdf>.

PEOPLESOFT JOB DESCRIPTION QUESTIONNAIRE (PSJDQ) COMING SOON!

Our HRIS team continues to dramatically improve the functionality of the PeopleSoft system, specifically in how state agencies use the system to improve their business processes. One of their latest projects is implementing a job description module, which will allow agencies to record, access, and update a multitude of job-related data via electronic means. This project is estimated to be complete by the end of 2016.

STATE GOVERNMENT STUDENT INTERNSHIPS: CONTINUED SUCCESS

The ND State Government Student Internship Program continues to provide a win-win experience for students and agencies alike. Due to an increase in the agency interest and the historical success the program brings to the State of North Dakota, funding was increased to \$250,000 for the 2015-17 biennium. The increase in funding allows HRMS to further assist in funding internship opportunities. The program provides a tremendous value as it provides students the opportunity to gain meaningful work experience, along with providing agencies assistance in completing general work projects and tasks.

To date, a total of 16 agencies have utilized the Student Internship Program this biennium. One agency representative recently stated, "Overall, this was a great experience for our office. This internship provided great value to our office during a time when it was desperately needed."

If you have questions or are interested in participating in the ND State Government Student Internship program, please contact Krista Schulz, HRMS at 701-328-3374.

FISCAL MANAGEMENT

OMB's Central Payroll is in the early stages of implementation of the PeopleSoft Time and Labor enterprise and Absence Management project.

WHAT IS PEOPLESOFT TIME AND LABOR?

It is a flexible, integrated solution designed to support the time reporting needs of a wide range of business functions, including payroll, financial and cost accounting, project management, employee benefits and organizational administration. PeopleSoft Time and Labor automates the processing of payable time.

Key Features

- Simple and easy to use – allows end users to enter time and other related transactions with ease
- Create flexible schedules for fixed, rotating, or dynamic shifts
- Time management
- Integrated with PeopleSoft Financials
- Real-time manager dashboards
- Flexibility and accountability

WHAT IS ABSENCE MANAGEMENT?

It is a reliable system to determine absence accruals, forecast eligibility for current and future absence events, and properly determine payment of absences. Absence Management has a seamless integration with PeopleSoft Time and Labor and Payroll for North America.

The early stages of the project include:

- completing the charter (done);
- sending out the RFP to acquire a vendor to assist in implementation (done); and
- completing the project timeline.

When the project timeline has been completed, agencies will be asked to help with the project's fit/gap sessions, business process meetings, testing, and assistance in carrying out tasks relative to their agency.

Time and Labor, along with **Absence Management**, will be rolled out to all agencies that are *not* currently on Workforce Software or another PeopleSoft approved time and leave interface system.

Fiscal Management continued on page 4

FISCAL YEAR END DEADLINES

- The last day to process June business will be July 27 at 5:00 p.m.
- The accounting system will not be available July 28-29. During this time no FY 16 or FY 17 business will be processed. The system will be available again on August 1.

2016 CAFR CLOSING PACKAGES DEADLINES

July 22

- Control Checklist

July 29

- Miscellaneous

August 5

- Cash and Investments
- Compensated Absences
- Litigation
- Miscellaneous Loss Liabilities

August 12

- Inventory
- Prepaid
- Loan and Refund Receivables

August 19

- Fixed Assets
- Construction in Progress
- Lease
- Miscellaneous and Interest Receivables/ Revenues
- Insurance Claims

August 26

- GASB 34 Reporting
- Loans and Notes Payable

September 9

- Accounts Payable

September 16

- Tax Revenues
- Grant Revenue

September 30

- Audited Financial Reports

For Other Special Government Unit Closing Packages, please see our website for your due date. Dates

range from August 19 – September 16, dependent on your fund. Please contact Rachel Kmetz at 328-1530 or rridl@nd.gov if you have any questions or concerns.

PURCHASING CARD REBATE

The state's purchasing card program had just over \$126,800,000 of total spend for the 2015-16 contract year. The state received a total of \$2,045,000 in rebate with the General Fund receiving \$699,564. The rest of the rebate was allocated between the colleges and universities, 11 counties and 53 school districts. This past year the State of North Dakota was the recipient of JP Morgan Chase's 2015 Program Management Award for excellence with the purchasing card program.

GOVERNOR DALRYMPLE ISSUES 2017-19 BUDGET GUIDELINES

On May 4, Governor Jack Dalrymple issued his budget guidelines for the 2017-19 biennium. The Governor directed agency leaders to develop General Fund base budgets equal to 90 percent of their 2015-17 appropriation for ongoing expenditures as passed by the Legislature.

“We have good reason to be optimistic about North Dakota's future, but by no means does that free us from our responsibility to address the current revenue challenges head on by developing a sustainable budget plan,” Governor Dalrymple told agency leaders. “We begin work on the 2017-19 budget in a much different revenue environment than at this time two years ago. With tax revenues falling short of projections, we must find greater savings and efficiencies while continuing to provide high-quality services for the people of North Dakota.”

According to Governor Dalrymple, many reductions implemented by agencies as part of the current budget's 4.05 percent allotment will likely be continued into the next budget cycle, but agency leaders are not locked into the decisions they made to meet the allotment.

Although General Fund budget guidelines don't apply to special funded agencies, the Governor said he expects those agency directors to also perform a thorough review of their operations and submit budget proposals that produce savings.

Budget requests are to be submitted to OMB by July 15, unless an extension is requested and granted.

RISK MANAGEMENT

RISK MANAGEMENT CONTRIBUTIONS REMAIN CONSISTENT

The most recent actuarial review of the Risk Management Fund was completed in May. Funding recommendations are the same as they have been in the two previous biennial cycles. The recommended contribution level for the 2017-2019 biennium is \$1,875,000, with individual agency contributions dependent on the number of reported full-time equivalent employees, number and type of vehicles owned or leased by the agency, and that agency's specific loss history.

The adoption and implementation of proactive loss control practices by individual state agencies continues to play an important role in addressing risk in state operations. By proactively addressing safety and potential liability exposures, agencies greatly reduce their individual contributions and the State's overall cost of addressing risk.

RISK MANAGEMENT'S GUIDELINES TO MANAGING CONTRACTUAL RISK

Pursuant to OMB's delegated authority, the Risk Management Division has promulgated guidelines on insurance and indemnification provisions in State contracts. These guidelines are contained in the *Guidelines to Managing Contractual Risk* which is available on the OMB web site. Agencies should look to these guidelines, together with the Attorney General's *Contracts Drafting Manual*, which outlines additional requirements and limitations in State contracts, when entering into any contractual relationship.

The purpose of the established guidelines is to identify and appropriately address those risks that realistically flow from a contractual relationship. In addressing certain types of risks, the guidelines contain templates that can be used as a starting point in drafting contractual language. But the language included in a contract must actually address the risks that arise under the specific circumstances of that contractual relationship. Including unnecessary contractual requirements can create a burden on vendors and contractors that provide goods and services to the State as well as create additional work for agency personnel that serves no real purpose. Risk Management is available to assist agencies in evaluating and appropriately addressing risks that arise from contractual relationships.

FACILITY MANAGEMENT

EVENT NEWS

Many special events are scheduled on the Capitol grounds this summer. Two popular events include the 4th of July celebration and Capitol A'Fair. The Bismarck-Mandan Symphony Orchestra will kick off the 4th of July celebration by performing on the Capitol Plaza steps at 9:00 pm. This will be followed by the spectacular fireworks display scheduled to begin at approximately 10:30 pm. The Capitol A'Fair is scheduled for August 6 – 7. Please visit the OMB website at <https://www.nd.gov/omb/public/events> for a complete list of events.

PROJECT NEWS

The new governor's residence project continues to progress on time and on budget. Chris Hawley Architects, Prairie Engineering, JE Dunn and Facility Management are working diligently during the design development and construction document phase of the project. The next few months will be very busy with construction document review, bidding, establishing the guaranteed maximum price, executing contracts and construction commencement. The schedule is for construction to begin the week of August 28.

The fund raising efforts for the new governor's residence have surpassed the threshold of \$500,000 raised prior to construction, as set forth in Senate Bill 2304. The bill states \$1,000,000 can be raised and allocated for the project. The co-chairpersons of the fundraising efforts are Representative Pamela Anderson and James Poolman. The goal is to have the additional \$500,000 raised prior to the establishment of the guaranteed maximum price by JE Dunn. Those involved in the project and the fundraising efforts will also be contacting North Dakota companies for donation of qualified construction materials.

The Capitol Plaza steps will be closed from July 5 – November 10 for the Capitol Plaza stair waterproofing project. The large granite rectangular stone pavers will be removed and reset. While the stone pavers are removed, the waterproofing membrane will be replaced. All caulking material between the paver stones on the stairs and plaza will be removed, replaced and resealed.