



Office of General Services

Joint Legislative Committee on Economic Development

Testimony By

Commissioner RoAnn Destito

January 29, 2018

Good morning Chairpersons Senator Young and Assembly Member Weinstein and members of the committees. I am pleased to be here today to provide testimony about the Office of General Services.

OGS provides enterprise-wide operational services and programs that allow other agencies to focus on and fulfill their own diverse missions on behalf of the people of New York State. This agency provides a myriad of services in support of state agencies, local governments, not-for-profits, businesses, and citizens.

OGS manages and maintains 20 million square feet of state-owned space, and leases 11.5 million square feet of office, warehouse and other required space on behalf of Executive Department agencies throughout the state.

OGS provides architectural, engineering, contracting, and construction management services to over 50 state agency clients with a current workload of \$700 million in active construction projects and another \$1 billion in design development.

Additionally, OGS provides vital emergency response and recovery support following floods, fires, weather disasters, and more, 24/7/365.

We manage a portfolio of more than 1,500 centralized contracts for commodities, services, and technology valued at \$26.6 billion used by state agencies and over 7,500 authorized users made up of local governments, schools, and not-for-profits.

We also provide transactional back-office administration services for finance and human resources for nearly all Executive agencies through the Business Services Center and administer the Service Disabled Veteran-Owned Business program.

And that's not all. OGS delivers support services for agencies including fleet management, printing and mail services, food distribution, warehousing, surplus property disposition, and we aggregate and manage the purchase of energy resources and insurance. In addition, we administer the visitor experience at the Capitol and Empire State Plaza, and we issue easements and grant licenses and permits for the use of uplands and lands under water.

Currently, we have 1,760 full-time and 260 hourly staff supporting OGS operations in all the State's ten regions.

I would like to offer some more detail on a few of the services OGS provides.

The Business Services Center (BSC) is an Enterprise-wide shared services program established in 2012 to centralize and streamline back-office transactions for all NYS Executive agencies. Today, the BSC serves 52 agencies for HR services and 62 agencies for finance services supporting nearly 30,000 employees. In the upcoming fiscal year, the BSC will add even more.

Our Procurement Services group has saved the State more than \$783 million over the past five years including the HBITS contract that has saved over \$32 million and PC aggregate buys that have saved over \$21 million.

Moving on to real estate, OGS is responsible for the administration and daily operations of 59 state-owned buildings with an additional 115 ancillary spaces totaling over \$7 billion in assets serving approximately 30,000 tenants and thousands of visitors statewide. Since the beginning of this administration, the agency performed over 250 capital projects and over 1,650 preventive maintenance, rehabilitation, and improvement projects to properties and buildings that had significant deferred maintenance.

Since we started looking at how use state-owned and leased space more efficiently in 2011, the changes we have made have resulted in approximately \$50 million in savings. In 2012, we began applying this system to create consolidated warehousing for state agencies, resulting in additional savings of over \$1.5 million.

We are now taking this to the next level, using what we have learned and expanding on it through the Office Space Optimization Initiative. Drilling deeper down from an enterprise-level into how we use space now and how we could use it more efficiently. We anticipate this could lead to significant additional savings.

In addition to managing space, we also build it and conduct project permitting with the OGS Design and Construction team, which serves State agencies including DOCCS, OMH, State Police, DMNA, and Ag & Markets. Design and Construction typically responds to 300 vital agency construction emergency declarations each year with payments averaging \$40 million.

In an effort to expand savings and efficiencies for New York State taxpayers, OGS would like the Legislature to consider granting expansion of its Design-Build (DB) authority. This project delivery method combines architectural and engineering design services with construction performance under one contract, simplifying and speeding up the project delivery process; allowing the State to do more with less.

Following last year's budget, OGS was given DB authority on a project-specific basis to include Phase II of the State Fair Revitalization. The design and construction of the 133,000+ SF Expo Center for \$63 million was successfully procured and awarded in the same year, 2017, with construction beginning in December 2017. We are on schedule to complete the project for the opening of the Great New York State Fair of 2018. Design-Build allowed the State to implement a full design and construction schedule in less than a year. Without Design-Build, this project would typically have taken several years to design, procure, and build.

OGS also does an excellent job growing businesses. In 2011, the OGS eligible MWBE utilization was 14%, and we are very proud to say that that we have now met the Governor's goal of 30 percent. As an example, in that time, MWBEs have received in excess of \$462 million from contracts associated with our Design & Construction Group alone.

Last year, I focused my testimony on the Service-Disabled Veteran-Owned Business Act, and I am here to report that our success continues. Since the program's inception, over \$67 million in contract awards have been reported to OGS, and more than \$40 million has been disbursed to SDVOBs to date. For the quarter ending September 30, 2017, disbursements doubled from the previous quarter to almost \$10 million, and OGS has achieved a 6.35% SDVOB utilization for the 12 months ending September 30. SDVOB goals are now present on premier projects including: the Long Island Railroad Third Track Expansion Project; Jacob K. Javits Convention Center Expansion; and NYS Fairgrounds Projects.

Creating a special visitor experience is also part of our core business. Since 2011, OGS has managed almost 8,000 events. Nearly 400,000 people have taken tours of the State Capitol, Executive Mansion, and visited the Corning Tower Observation Deck, and we have welcomed approximately 75,000 skaters since re-opening the Plaza rink after it was closed for 3 years.

The hard-working and dedicated team at the Office of General Services is one I am honored to represent as Commissioner. Their service to the people of New York State never wavers and can be counted on at all times. Thank you for listening to my testimony, and I am happy to take any questions that you may have.

