



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT & BUDGET  
LANSING

MITCH IRWIN  
DIRECTOR

TO: Department Directors and Autonomous Agency Heads

FROM: Mitch Irwin, Director, DMB

DATE: February 13, 2003

RE: Implementation of Governor's Executive Directive #

Pursuant to the subject directive, I have outlined below the actions required to operationalize various executive branch cuts announced by the Governor. Your leadership is essential to successful implementation of the cuts. Thank you in advance for your cooperation.

1. Fleet Reduction            **“Call in 1,000 vehicles in the state’s motor fleet.”**

The Department of Management and Budget (DMB) has identified 1,007 vehicles that are underutilized and must be eliminated from the State’s fleet. Each Department Director is requested to designate a person with appropriate authority to work with DMB to successfully implement this reduction effort. Please submit name and contact information to: Joyce Vancoevering, Director, Agency Services, DMB

To facilitate the return of vehicles to DMB and promote alternatives to vehicle travel, DMB’s Vehicle and Travel Services unit will:

- Work directly with each Department to reach their reduction target without negatively impacting safety or delivery of service
- Monitor the number of units and costs on billing to ensure desired cost savings is met  
Require written authorization from Department Directors for new permanent vehicle assignment requests made February 2003 - September 2004. Such requests should be submitted only when current state vehicle assignments are fully utilized, personal vehicle use has been appropriately considered and one of the following criteria exist:
  - (a) A vehicle assignment is essential to the delivery of new or existing program outcomes
  - (b) The vehicle is key to state employee or service recipient safety
- Work with each department to identify alternative ways of connectivity and mobility.
- Partner with each Department to prepare a written travel plan for the future by 9/30/03

DMB Contact: Steve Cheal, Director, Vehicle and Travel Services at (517) 322-5000,  
[cheals@michigan.gov](mailto:cheals@michigan.gov)

2. Reduction in Contract Expenditures:    **“Reduce vendor contracting expenses by 7%.”**

To assist Departments in meeting their 7% cut Acquisition Services will:

- Identify statewide contracts expiring this fiscal year and negotiate extensions with contractors that have excellent performance in exchange for price reductions and/or discounts for quick payments. In conjunction with State Agencies, Acquisition Services will take the same actions with regard to agency specific contracts.
- Work with DIT and request a 10% reduction in hourly rates in technology time and materials contracts.

Acquisition Services will advise agencies of price reductions and other savings opportunities (e.g. quick pay discounts) as they are achieved.

The following requirements for new initiatives and existing optional use contracts have immediate effect:

- Department Directors or their designees must approve all new requests for contracts initiated by their department and expected to cost \$250,000.00 or more. A memo indicating such approval and identifying the requisition number must be forwarded to Acquisition Services. Requests will not be processed until the memo is received.
- Department Directors or their designees must approve all amendments to contracts if the value of the amendment is \$125,000.00 or more. A memo indicating such approval and identifying the requisition number must be forwarded to Acquisition Services. Amendment requests will not be processed for the Administrative Board until the memo is received.
- Expenditures shall not be made for items on existing optional use contracts unless the goods or service are essential for the delivery of services

Departments are to monitor savings achieved through these reduction efforts. The base year for comparison is FY2002.

DMB Contacts: Sharon Pickett, Deputy Director, Acquisition Services at (517) 241-2715, [Picketts@michigan.gov](mailto:Picketts@michigan.gov) and Jim Konrad, Director, Acquisition Services-Tactical Purchasing (517) 373-0315, [Konradj@michigan.gov](mailto:Konradj@michigan.gov)

### 3. Energy Usage Reduction

#### **“Power down state buildings from 9 p.m. to 6 a.m.”**

Effective April 1, 2003 DMB will implement the following actions to reduce utility expense in all state owned, managed and leased facilities.

- All primary lighting will be turned off in state facilities from 9:00 PM to 6:00 AM Monday through Friday. On weekends, primary lighting will be turned off beginning at 9:00 PM Friday to 6:00 AM Monday. This restriction will also apply to state holidays.
- All departments will be required to initiate and enforce internal policy and procedure, which directs employees to shut off all personal computers, task lighting, equipment and appliances during these restricted hours.
- Employees who find it necessary to use a facility during restricted periods may do so, however, primary lighting will not be turned on to accommodate their use of a facility if an exemption has not been pre-approved. In such cases, an employee will use task lighting provided for their work site.
- DMB will review for approval, requested exemptions to these restrictions. Exemptions are to be requested on the attached form. Permanent exemptions must be submitted to DMB by February 21, 2003 for consideration. Temporary exemptions may be requested as business needs arise, please allow 3 business days for review. This form must be approved by the requesting department director or designee. Submit forms to Dave Stevens, Occupancy Services Manager, Tennant and Land Services or [stevensd1@michigan.gov](mailto:stevensd1@michigan.gov). Contact the Tenant Services Customer Service Center at (517) 373-6227 for an electronic copy of the exemption form. **Correctional institutions, MSP posts, emergency/medical facilities, parks and 24-hour computer rooms are automatically exempt.**

- Each department is responsible for identifying lease properties occupied by their agency and initiating utility restrictions identified in this directive. DMB Real Estate will assist you with leasor compliance if necessary.
- Where applicable, janitorial services will be changed to comply with this utility restriction. These services, as well as any other necessary to operate and maintain a facility will only occur between the hours of 6:00 AM Monday through 9:00 PM Friday. DMB will provide a detail of scheduled changes in these services at a later date.

DMB Contacts: Specific in items as defined above; Tom Saxton, Director, Tennant and Land Services, (517) 373-3806, [saxtonT@michigan.gov](mailto:saxtonT@michigan.gov); Okey Eneli, Director, Infrastructure Services (517) 373-3670, [Enelio@michigan.gov](mailto:Enelio@michigan.gov).

#### 4. Procurement Cards

As a result of the early retirement, program reductions and spending reductions, many Procurement Cards are not being used at all or are not being used to frequently enough to justify the assignment. These unused or infrequently used credit cards present an internal control risk if not terminated. To assist departments in reducing this risk, DMB will provide each department with a list of Procurement Card assignments that have not been used or used minimally in the last six months.

Departments are to review these assignments and identify cards for termination. Each department will be expected to report the cumulative number of Procurement card terminated following this effort.

DMB Contact: Ken Mitchell, Department Specialist, Financial Services Operations Division at (517) 322-5556, [Mitchellk1@michigan.gov](mailto:Mitchellk1@michigan.gov).

#### 5. Moratorium on Color Copying    **“Eliminate all color copying.”**

The following actions are required to eliminate color copying :

- Effective immediately color copying through State of Michigan Rapid Copy Centers, private vendors, desktop printers and office copiers shall be discontinued. Similarly the purchase of ink or toner for desktop printers and office copiers in a color other than black shall not be made; use of existing supplies is permitted. Department Directors or their designees may authorize an exception to this paragraph when color copies are required by statute, contractual requirements, or similar essential functions.
- DMB will monitor savings in Rapid Copy Centers

In addition, Departments are required to effectively manage printing projects by designing for cost effectiveness. Printing contracts issued by DMB Acquisition Services and in house print operations such as DMB Printing Services offer ready alternatives for competitive pricing and DMB Printing services will secure quotes for you. Contact [DMB-PrintandMailConsultingServices@Michigan.gov](mailto:DMB-PrintandMailConsultingServices@Michigan.gov) for assistance. Departments are reminded that all printed publications shall include the number of copies printed, the total cost for printing as well as the cost per single copy regardless of the type of printing or copying used.

DMB Contact: William St. Amour, Director, Agency Services Operations at 322-1899, [stamourw@michigan.gov](mailto:stamourw@michigan.gov)

#### 6. Eliminate Unnecessary Mailings    **“Suspend mailings of payroll statements...”**

The Office of the State Employer will issue a notice to all state employees informing them that printed payroll statements will be discontinued and of the availability of the statement information on HRMN.

Departments are requested to review all mass mailings by April 1, 2003 to determine if they are essential to the delivery of service. For each such mailing that will continue, format should be reviewed to identify savings opportunities through

- The use of standardized envelopes compatible with available presorting equipment and
- The use of mail classifications other than first class.
- Alternatives to using the United States Postal Services

The Department of Management and Budget will provide training and consulting expertise to support these reviews.

DMB Contact: William St. Amour, Director, Agency Services Operations at 322-1899,  
[stamourw@michigan.gov](mailto:stamourw@michigan.gov)

#### 7. Reduce Cell Phone Use **“Eliminate 15% of the state’s cellular phone usage.”**

To implement the 15% reduction departments are requested to do the following:

- Inventory cell phones and pagers currently being used by their department
- Determine which cell phones and pagers are required from a mission critical and/or effectiveness perspective
- Target a reduction of 15%
- Collect discontinued phones and pagers from employees and surplus or store as appropriate
- Eliminate reimbursement to employees or consultants for personal reimbursement of cell phone or pagers except in mission critical cases
- Identify the number of phones and pagers discontinued and the estimated savings

#### 8. Decrease Subscription Expense

To reduce subscription expense departments are requested to cancel subscriptions where alternatives are available at no cost (e.g. access to information on the Web)

#### 9. Board and Commission Per Diem and Travel Payments

Departments are to pause all per diem and travel reimbursements to boards and commissions where permitted by statute.

#### 10. Reporting Requirements

Each Department and Autonomous agency is required to complete and submit the attached report quarterly beginning with the quarter ending 3/31/03 and ending with the quarter 9/30/04.

## After Hours Exemption Request for Facility Lighting

<i>Department:</i>	<i>Division:</i>
<i>Building:</i>	
<i>Floor:</i>	<i>Room:</i>
<i>Pillar or Specific Area to be Lighted:</i>	
<i>Date &amp; Time Exemption is Requested for:</i>	
<i>Contact Name:</i>	<i>Phone:</i>
<i>Justification:</i>	
<i>Risk Analysis/Cost Benefit:</i>	
<i>Approved By (Department Director or Authorized Designee):</i>	
<i>DMB Approval:</i>	

Submit forms to Dave Stevens, Occupancy Services Manager, Tennant and Land Services or [stevensd1@michigan.gov](mailto:stevensd1@michigan.gov). Contact the Tenant Services Customer Service Center at (517) 373-6227 for an electronic copy of the exemption form.

Permanent exemptions must be submitted to DMB by February 21, 2003 for consideration. Temporary exemptions may be requested as business needs arise, please allow 3 business days for review.

**STATE OF MICHIGAN  
Administrative Cost Reduction Report**

Report of estimated annual savings updated each calendar quarter beginning with the quarter ending March 31, 2003. These reports will be due 45 days after the quarter end and are to be submitted to DMB via e-mail, waltmiree@Michigan.gov. The savings amounts are annual estimates and numbers are cumulative through the quarter end. Reports are to be submitted through fiscal yearend September 30, 2004.

<b>DEPARTMENTAL INFORMATION</b>		
<b>Department</b>	Date Submitted	Calendar Quarter Ending:
Submitted by	E-mail Address	Phone Number
<b>REDUCTION IN CONTRACT EXPENDITURES</b>		
Cumulative # of Contracts Identified for Reduction Efforts:	Estimated Annual Savings:	Did You Meet your Target?
If No, Please Explain:		
<b>ENERGY USAGE REDUCTION</b>		
Cumulative Number of Leased Facilities Identified for Reduction Efforts:		Reductions Implemented in Leased Facilities <input type="checkbox"/> Yes <input type="checkbox"/> No
If No, Please Explain:		
<b>PROCUREMENT CARD REDUCTION</b>		
Cumulative Number of Cards Eliminated:		Did You Meet Your Target?
If No, Please Explain:		
<b>ELIMINATION OF UNNECESSARY MAILING:</b>		
		<b>Review of Mailings</b> <input type="checkbox"/> Yes <input type="checkbox"/> No
If No, Please Explain:		
<b>REDUCTION IN CELL PHONES</b>		
Cumulative Number of Cell Phones Terminated:	Estimated Annual Savings:	Did You Meet Your Target?
If No, Please Explain:		