Schedule 13
Change Request for FY 08-09 Budget Request Cycle

Decision Item FY 08-09 ☑ Base Reduction Item FY 08-09 ☐ Supplemental FY 07-08 ☐ Budget Request Amendment FY 08-09 ☐

Request Title: Linen Contract Transfer
Department: Human Services
Priority Number: 9

Dept. Approval by: Regina Hall — Date: 10/12/07
OSPB Approval: for UZ — Date: 10/25/07 for 11/1/07

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Revised Request FY 07-08	5 Base Request FY 08-09	6 Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Revised Request FY 08-09	10 from Base (Column 5) FY 09-10
Total of All Line Items	Total	115,760,142	112,133,554	0	112,133,554	117,306,009	0	117,306,009	0	117,306,009	0
	FTE	1599.9	1707.5	0.0	1707.5	1716.0	0.0	1716.0	0.0	1716.0	0.0
	GF	82,214,528	80,222,824	0	80,222,824	84,960,059	0	84,960,059	0	84,960,059	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	3,851,638	5,092,382	0	5,092,382	5,104,993	0	5,104,993	0	5,104,993	0
	CFE	27,101,368	25,044,941	0	25,044,941	25,403,640	0	25,403,640	0	25,403,640	0
	FF	2,592,608	1,773,407	0	1,773,407	1,837,317	0	1,837,317	0	1,837,317	0
	MCF	8,403,010	7,118,123	0	7,118,123	7,267,009	0	7,267,009	0	7,267,009	0
	MGF	4,201,505	3,559,063	0	3,559,063	3,636,008	0	3,636,008	0	3,636,008	0
	NGF	86,416,033	83,781,887	0	83,781,887	88,596,067	0	88,596,067	0	88,596,067	0
(3) Office of Operations, Personal Services	Total	23,881,179	22,476,856	0	22,476,856	23,643,028	(84,159)	23,558,869	0	23,558,869	(84,159)
	FTE	430.0	454.6	0.0	454.6	463.1	0.0	463.1	0.0	463.1	0.0
	GF	11,474,274	10,753,902	0	10,753,902	11,495,366	(84,159)	11,411,207	0	11,411,207	(84,159)
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	579,103	512,019	0	512,019	524,630	0	524,630	0	524,630	0
	CFE	9,235,194	9,437,528	0	9,437,528	9,785,715	0	9,785,715	0	9,785,715	0
	FF	2,592,608	1,773,407	0	1,773,407	1,837,317	0	1,837,317	0	1,837,317	0
	MCF	3,694,980	3,773,720	0	3,773,720	3,922,606	0	3,922,606	0	3,922,606	0
	MGF	1,847,490	1,886,861	0	1,886,861	1,963,806	0	1,963,806	0	1,963,806	0
	NGF	13,321,764	12,640,763	0	12,640,763	13,459,172	(84,159)	13,375,013	0	13,375,013	(84,159)
(8)(C) Mental Health and Alcohol and Drug Abuse Services, Mental Health Institutes	Total	91,878,963	89,656,698	0	89,656,698	93,662,981	84,159	93,747,140	0	93,747,140	84,159
	FTE	1,169.9	1,252.9	0.0	1,252.9	1,252.9	0.0	1,252.9	0.0	1,252.9	0.0
	GF	70,740,254	69,468,922	0	69,468,922	73,464,693	84,159	73,548,852	0	73,548,852	84,159
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	3,272,535	4,580,363	0	4,580,363	4,580,363	0	4,580,363	0	4,580,363	0
	CFE	17,866,174	15,607,413	0	15,607,413	15,617,925	0	15,617,925	0	15,617,925	0
	FF	0	0	0	0	0	0	0	0	0	0
	MCF	4,708,030	3,344,403	0	3,344,403	3,344,403	0	3,344,403	0	3,344,403	0
	MGF	2,354,015	1,672,202	0	1,672,202	1,672,202	0	1,672,202	0	1,672,202	0
	NGF	73,094,269	71,141,124	0	71,141,124	75,136,895	84,159	75,221,054	0	75,221,054	84,159

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Request Title: Linen Contract Transfer
Department: Human Services
Priority Number: 9

Dept. Approval by: **Date:**
OSPB Approval: **Date:**

	Fund	1 Prior-Year Actual FY 06-07	2 Appropriation FY 07-08	3 Supplemental Request FY 07-08	4 Revised Request FY 07-08	5 Base Request FY 08-09	6 Base Reduction FY 08-09	7 November 1 Request FY 08-09	8 Budget Amendment FY 08-09	9 Revised Request FY 08-09	10 from Base (Column 5) FY 09-10

Letternote revised text:
Cash Fund name/number, Federal Fund Grant name:
IT Request: ☐ Yes ☑ No
Request Affects Other Departments: ☐ Yes ☑ No **If Yes, List Other Departments Here:**

CHANGE REQUEST for FY 08-09 BUDGET REQUEST CYCLE

Department:	Department of Human Services
Priority Number:	9
Change Request Title:	Linen Contract Transfer

SELECT ONE (click on box):

☒ Decision Item FY 08-09
☐ Base Reduction Item FY 08-09
☐ Supplemental Request FY 07-08
☐ Budget Request Amendment FY 08-09

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

☒ Not a Supplemental or Budget Request Amendment
☐ An emergency
☐ A technical error which has a substantial effect on the operation of the program
☐ New data resulting in substantial changes in funding needs
☐ Unforeseen contingency such as a significant workload change

Short Summary of Request:

This is a technical change request to transfer the contract management responsibility and $84,159 in General Fund for the Fort Logan linen services contract from the Office of Operations to the Colorado Mental Health Institute at Fort Logan (CMHIFL).

Background and Appropriation History:

When the Colorado Department of Human Services was formed in 1994 many general support functions were centralized within the Office of Operations, including the responsibility for providing certain laundry services. At that time the Office of Operations received funding in the amount of $58,000 General Fund per year to provide linen services to the Colorado Mental Health Institute at Fort Logan. Since that time the Office of Operations has absorbed all increases in the cost of linen services within its personal services contracts appropriation.

Office of Operations- Personal Services	Total	FTE	GF	CF	CFE	FF	MCF	MGF	NGF
FY 2006-07 Appropriation	$22,124,002	462.2	$11,221,723	$499,151	$8,783,138	$1,619,990	$3,785,086	$1,892,544	$13,114,267
S1-J CMHIP 20 Bed Competency Restoration	$17,679	0.6	$17,679	$0	$0	$0	$0	$0	$17,679
FY 2006-07 Special Bills - SB06-219	$(56,000)	(1.0)	$(29,024)	$0	$(26,976)	$0	$(26,976)	$(13,488)	$(42,512)
FY 2006-07 Salary Survey	$347,663		$88,737	$15,441	$81,157	$162,328	$34,573	$17,287	$106,024
DI#7 DYC Sol Vista Annualization	$28,582	0.6	$28,582	$0	$0	$0	$0	$0	$28,582
DOC La Vista Annualization	$53,992	1.4	$0	$0	$53,992	$0	$0	$0	$0
Common Policy Personal Services Reduction	$(112,291)		$(56,620)	$(2,573)	$(44,187)	$(8,911)	$(18,963)	$(9,482)	$(66,102)
JBC FTE Adjustment	$0	(10.0)	$0	$0	$0	$0	$0	$0	$0
S1-J CMHIP 20 Bed Competency Amendment	$24,750	0.8	$24,750	$0	$0	$0	$0	$0	$24,750
JBC Nursing Home Subsidy Adjustment	$0		$(541,925)	$0	$541,925	$0	$0	$0	$(541,925)
FY 2007-08 Appropriation	$22,428,377	454.6	$10,753,902	$512,019	$9,389,049	$1,773,407	$3,773,720	$1,886,861	$12,640,763
Special Bill SB 07-004	$48,479				$48,479				
FY 2007-08 Appropriation Plus Special Bills	$22,476,856	454.6	$10,753,902	$512,019	$9,437,528	$1,773,407	$3,773,720	$1,886,861	$12,640,763

General Description of Request:

The Division of Facilities Management has historically provided only limited services by negotiating the linen contract and processing invoices. This request will place the management and funding of the linen contract for the Fort Logan Mental Health Institute with the Mental Health Institute administration. As the recipient of the contracted services, the Colorado Mental Health Institutes at Fort Logan will be better able to monitor deliveries, track and manage linen usage, assess the quality of services provided, and be in a better position to negotiate with vendors.

Consequences if Not Funded:

Should this change request not be funded, the Division of Facilities Management would continue to monitor the contract for laundry services to the Fort Logan Mental Health Institute. No efficiencies in laundry usage or increases in service quality would be achieved as a result of more diligent management of the contract.

Calculations for Request:

Summary of Request FY 08-09	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$0	$0	$0	$0	$0	0.0
(3) Office of Operations - Personal Services Contracts	($84,159)	($84,159)	$0	$0	$0	0.0
(8) (C) Mental Health and Alcohol and Drug Abuse Services - Mental Health Institutes	$84,159	$84,159	$0	$0	$0	0.0

Summary of Request FY 09-10	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total Request	$0	$0	$0	$0	$0	0.0
(3) Office of Operations - Personal Services Contracts	($84,159)	($84,159)	$0	$0	$0	0.0
(8) (C) Mental Health and Alcohol and Drug Abuse Services - Mental Health Institutes	$84,159	$84,159	$0	$0	$0	0.0

Assumptions for Calculations:

The amount of the transfer ($84,159) is based on the average cost of linen services over the last four fiscal years.

Fiscal Year	Pounds of Laundry	Price Per Pound	Total Cost
FY 2003-04	174,966	$0.40	$69,986
FY 2004-05	189,859	$0.40	$75,944
FY 2005-06	183,500	$0.40	$73,400
FY 2006-07	167,543	$0.41	$68,693
FY 2007-08	178,967 (a)	$0.495 (c)	$88,589
FY 2008-09	170,018 (b)	$0.495 (c)	$84,159 (d)

(a) Average annual pounds of laundry over the last four years.
(b) It is anticipated that closer monitoring of laundry usage by CMHIFL will reduce the annual pounds of laundry service provided by the contractor by 5% or 8,948 pounds.
(c) Current contract cost per pound of laundry.
(d) Reduction in laundry costs due to more diligent management by CMHIFL ($4,430).

Impact on Other Government Agencies:

There will not be any impact to other agencies.

Cost Benefit Analysis:

As a result of the of the closer monitoring of laundry usage by CMHIFL staff, it is anticipated that there will be a 5% reduction in the pounds of laundry processed by the contractor yielding an estimated savings in laundry costs of $4,430 per year.

The Office of Operations originally received funding in the amount of $58,000 per year to provide laundry services to CMHIFL. Since that time the Office of Operations has absorbed all contract increases for laundry services within its Personal Services appropriation.

Each of the CMHIFL units receiving laundry is establishing a par system where each unit will verify the amount of linen delivered and monitor the inventory comparing the usage

to the par of their unit. This helps each unit be more accountable for linen usage and enables the contractor to be more efficient in their deliveries. (Par is defined as "a normal standard or acceptable average". The Department uses this in the linen contract to estimate the average amount of linen needed per unit. For example, if a team (ward) of the hospital has 24 beds, then the par for bed sheets for that ward would be at least 24.)

With both the unit and the contractor managing the par weekly, CMHIFL anticipates an increase in accountability and a reduction in the pounds of linen usage when they (CMHIFL) take over management of the contract. The 5% reduction in the pounds of linen usage is an estimate based on discussions with the unit managers.

Implementation Schedule:

Task	Month/Year
Current Contract Awarded/Signed with renewal option of up to five years.	July 1, 2007
Contract Management and Payments transferred to CMHIFL	July 1, 2008

Statutory and Federal Authority:

24-102-202 C.R.S. (2007) Authority of the executive director. (1) Consistent with the provisions of this code, the executive director may adopt operational procedures governing the internal functions of the department (2) except as otherwise specifically provided in this code, the executive director shall pursuant to rules: (a) Procure or supervise the procurement of all supplies and services needed by the state; (c) Establish and maintain programs for the inspection, testing and acceptance of supplies. (d) Examine each requisition submitted by a using agency and approve, disapprove, or revise it as to quantity or quality; (e) Develop and maintain programs and procedures to delegate purchasing authority in order to conserve resources for management of the statewide purchasing system; and (f) Develop programs to evaluate and reduce the administrative costs of the procurement function.

Performance Measures:

This request is consistent with the Department Strategic Plan Goal #2 – Promote safety for the community, clients and employees. Through improved monitoring of the linen

service, the physical health of mental health clients in residence at the CMHIFL will be maintained.

Program measurement specific to this request: Decrease in the pounds of laundry service utilized as CMHIFL implements the par system of monitoring.

Workload Indicator:

Program	Workload Indicator	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
		Actual	Actual	Current	Request
Behavioral Health Services	Number of contracts, purchase orders and interagency agreements administered.	287	269	256	256