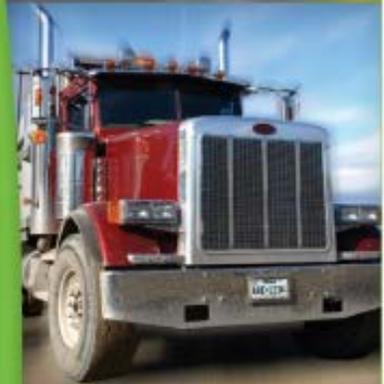




Texas Department *of* Motor Vehicles
HELPING TEXANS GO. HELPING TEXAS GROW.

Fiscal Year 2016 Operating Budget

August 2015





Texas Department *of* Motor Vehicles

Table of Contents

Part I: Fiscal Years 2016-17 Legislative Appropriations Request	3
Fiscal Year 2016-17 Legislative Appropriations Request	4
Texas Department of Motor Vehicles - Appropriations History	5
Significant New Legislation Impacting TxDMV	7
Part II: Fiscal Year 2016 Revenues	8
Fiscal Year 2016 Revenue Summary	9
MyPlates Highlights	11
Part III: Fiscal Year 2016 Operating Budget	13
Agency Summary	14
Fiscal Year 2016 Strategy Appropriations	16
Fiscal Year 2016 Operating Budget by Category	17
Fiscal Year 2016 Operating Budget by Division	18
TxDMV Organizational Chart	19
Fiscal Year 2016 TxDMV Operations	20
Part IV: Fiscal Year 2016 Capital Projects	23
2016 Capital Budget	24
Capital Project Details	25
Part V: Fiscal Year 2016 Contracts	28
Significant Effects of Senate Bill 20 on TxDMV Contracts	29
Fiscal Year 2016 Contract Summary	30
Fiscal Year 2016 Delegated and Statewide Contracts more than \$200,000 (Board Approval Required)	31
Fiscal Year 2016 Statutorily Required Contracts and Term Contracts (Informational Only)	32
Fiscal Year 2016 Delegated and Statewide Contracts \$100,000 - \$200,000 (Informational Only)	33
Fiscal Year 2016 Delegated and Statewide Contracts less than \$100,000 (Informational Only)	34
Fiscal Year 2016 Information Technology Staff Augmentation (Informational Only)	35
Appendix A: Budget Category Definitions	36
Appendix B: Budget Terms and Definitions	39
Appendix C: Finance and Administrative Services Contacts	42



Texas Department *of* Motor Vehicles

Part I: Fiscal Years 2016-17 Legislative Appropriations
Request



Fiscal Year 2016-17 Legislative Appropriations Request

The Legislative Appropriations Request (LAR) is the starting point for the agency’s budget. In August 2014, the agency submitted its appropriations request of \$390.3 million — \$300.2 million baseline, \$90.1 million in exceptional items. When the General Appropriations Act (GAA) (House Bill (HB) 1) was finally passed by the legislature at the end of May 2015, the agency’s appropriation totaled \$313.4 million — \$299.5 million baseline, \$13.9 million in exceptional items — for the biennium, a total of \$76.9 million less than requested.

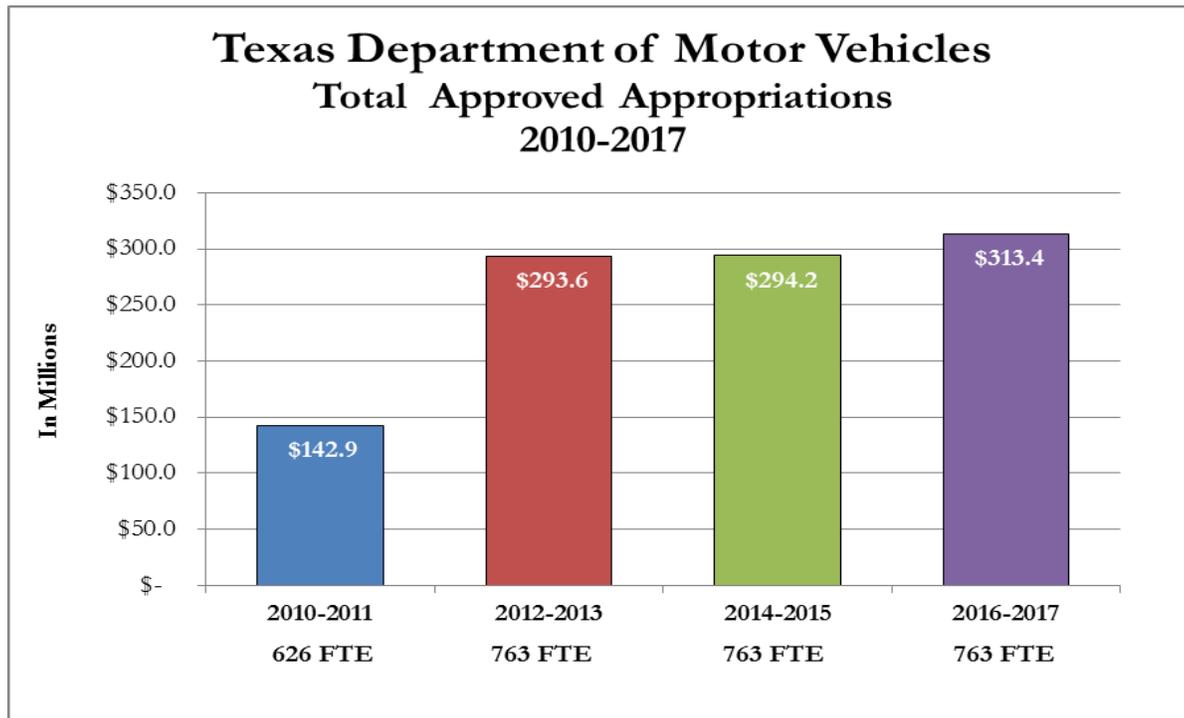
	Legislative Appropriations Request (LAR)	Approved FY 2016-17
A. Goal: Optimize Services and Systems		
A.1.1. Strategy: Titles, Registrations, and Plates	\$ 148,723,598	\$ 147,620,572
A.1.2. Strategy: Vehicle Dealer Licensing	\$ 8,188,166	\$ 8,188,166
A.1.3. Strategy: Motor Carrier Permits & Credentials	\$ 18,437,784	\$ 16,737,784
A.1.4. Strategy: Technology Enhancement & Automation	\$ 37,600,142	\$ 28,600,142
A.1.5. Strategy: Customer Contact Center	\$ 4,309,242	\$ 4,309,242
Total, Goal A: Optimize Services and Systems	\$ 217,258,932	\$ 205,455,906
B. Goal: Protect the Public		
B.1.1. Strategy: Enforcement	\$ 11,351,147	\$ 10,740,530
B.2.1. Strategy: Automobile Theft Prevention	\$ 39,824,012	\$ 29,824,012
Total, Goal B: Protect the Public	\$ 51,175,159	\$ 40,564,542
C. Goal: Indirect Administration		
C.1.1. Strategy: Central Administration	\$ 16,511,290	\$ 15,540,474
C.1.2. Strategy: Information Resources	\$ 49,702,244	\$ 45,714,639
C.1.3. Strategy: Other Support Services	\$ 55,687,146	\$ 6,133,359
Total, Goal C: Indirect Administration	\$ 121,900,680	\$ 67,388,472
Grand Total, Department of Motor Vehicles	\$ 390,334,771	\$ 313,408,920
Difference		\$ (76,925,851)

Major items Funded	Major items Not Funded
\$7.4 million AMSIT	\$58.7 million TxDMV Headquarters Relocation
\$7.4 million Data Center Consolidation Services	\$ 1.4 million Cyber-security Services
\$5.3 million additional plates cost	\$ 1.4 million New and replacement vehicles
\$1.4 million Regional Service Centers Relocation	\$ 1.2 million Additional FTEs for Field Service Representatives and Enforcement Investigators
\$1.5 million Bull Creek Relocation (Fiscal Year 2017)(not specifically requested by agency)	\$ 1.0 million CVISN - grant
	\$10.0 million ABTPA- grants



Texas Department of Motor Vehicles - Appropriations History

Since the inception of the agency in Fiscal Year 2010, agency appropriations have almost doubled. In Fiscal Years 2012-2013, the agency's appropriation increased due to the addition of the Motor Carrier Oversize/Overweight permitting program after passage of S.B. 1420, (82nd Legislature). Appropriations in the subsequent years include additional funding for Automation Capital and license plate production. With the passage of H.B. 1692, 83rd Legislature, Regular Session, the agency established the Office of Administrative Hearings to conduct contested case hearings for warranty performance and "Lemon Law" disputes internally rather than referring such cases to the State Office of Administrative Hearings.



For the upcoming biennium of Fiscal Years 2016-2017, the agency's appropriations increased almost seven percent from the current biennium. The agency received funds to cover higher license plate production and volume costs; relocation of two regional service centers and the Bull Creek campus. In addition, the agency's ongoing Automation Project (including information technology separation efforts) was fully funded.

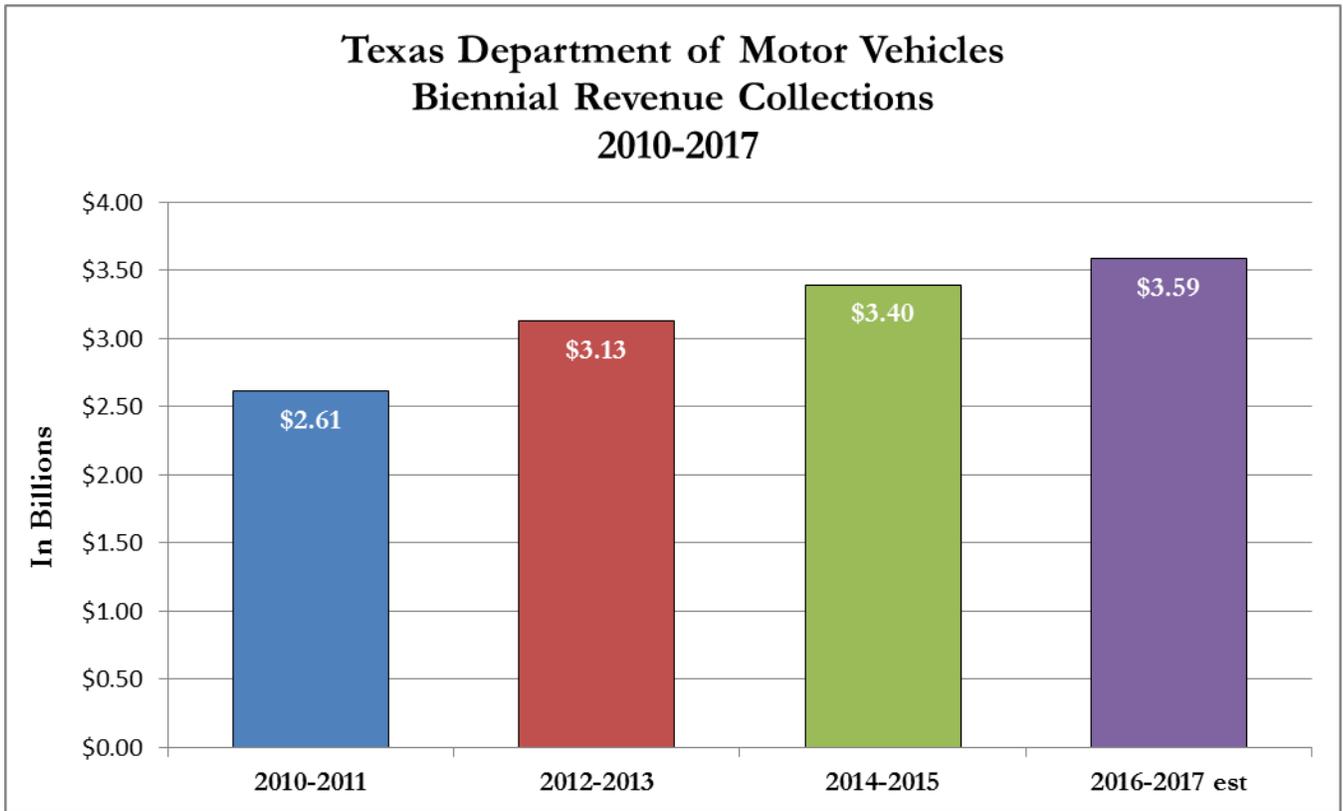
H.B. 1, 84th Legislature did not approve funding for the Commercial Vehicle Information System and Network (CVISN). CVISN is a federally funded grant program with a dollar for dollar state match. Also, the agency's request for new and replacement vehicles, additional staff and grant funds for the Automobile Burglary and Theft Prevention Authority (ABTPA) program were denied.

The TxDMV's method of finance for FY 2016 will be 100% funded through General Revenue (GR), and in Fiscal Year 2017, the department's appropriation (with the exception of the ABTPA program) will be funded entirely from the recreated TxDMV fund, as compared to the Fiscal Year 2014-2015 biennial method of finance which was a combination of GR and the State Highway Fund.



Texas Department of Motor Vehicles

Agency revenue collections continue to rise in the current biennium as compared to the previous biennium. In Fiscal Year 2014, the TxDMV collected approximately \$1.7 billion in total revenue for the State of Texas. This includes \$1.45 billion for the State Highway Fund and approximately \$223 million to the General Revenue Fund. In Fiscal Year 2015, the agency estimates an increase of three percent in total revenues from Fiscal Year 2014 with State Highway Fund collections estimated at \$1.5 billion and General Revenue collections estimated at \$230 million. The upward trend is expected to continue into the 2016-2017 biennium, with a revenue increase of approximately 2.4% per year for a biennial total of approximately \$3.6 billion. Increases in registered vehicle population coupled with natural population growth and healthy auto sales contribute to the estimated revenue.





Significant New Legislation Impacting TxDMV

More than 60 bills were enacted by the 84th Legislature, Regular Session, that impact the agency's operations.

Four bills have a significant impact on the agency's revenues/appropriations.

Vetoed included in H.B. 1 and H.B. 2. Two line-item vetoes made by the Governor in the General Appropriations Act (GAA) for Fiscal Year 2016-17 (H.B. 1) and the supplemental appropriations bill (H.B. 2) for Fiscal Year 2016-17 impacted TxDMV. While the amounts were not included in the TxDMV bill pattern, the Governor vetoed \$58 million for the acquisition of land and construction of a new TxDMV headquarters building (included in the Texas Facilities Commission, H.B. 1 appropriation) and an additional \$500,000 was vetoed in H.B. 2, the supplemental appropriations bill, which was to be used for the expedited planning and design of the new facility. The Governor's veto proclamation indicates that the agency's headquarters project warrants more careful review. The TxDMV will need to work during the interim to refine the headquarters project and engage state leadership on alternative solutions.

S.B. 1512 recreated the Texas Department of Motor Vehicles Fund (TxDMV Fund), a dedicated account in the State Treasury outside the General Revenue Fund and rededicates the revenue sources for the fund and the bill also included a one-time \$23 million transfer from General Revenue to the TxDMV Fund. In conjunction with the passage of **H.B. 6**, the funds consolidation bill, which exempted the TxDMV fund and its revenues from consolidation, the TxDMV Fund will officially be created on September 1, 2016 (Fiscal Year 2017). The delay in the creation of the fund allows the agency to prepare for the transition from its current method of finance to 100% funding through the TxDMV Fund, allows the agency sufficient time to set a process and handling fee in an amount to cover the agency's appropriations and ensures that the agency has sufficient initial operating capital.

S.B. 20 is a state-wide contracting bill that enhances reporting requirements and is designed to increase transparency and accountability in the state's contracting process. S.B. 20 makes changes to program oversight, vendor competition and seeks to enhance the states' collective purchasing power by expanding eligibility to new customer groups. For a more detailed explanation of the effects of S.B. 20 on TxDMV, please refer to page 29 in the contract section of this document.



Texas Department *of* Motor Vehicles

Part II: Fiscal Year 2016 Revenues



Fiscal Year 2016 Revenue Summary

TxDMV collects revenues from registrations, licenses, titles, permits, and credentials for deposit into the State Highway Fund (Fund 006) and for deposit into the General Revenue (GR) Fund (Fund 001). Total revenue collections are estimated to be approximately \$1.77 billion in Fiscal Year 2016 in all funds. Growth in the revenues is the result of an increase in the number of registered vehicles, natural population growth and economic activity.

Revenue Fund Revenue Descriptions	FY 2014 TxDMV Actual Revenue	FY 2015 TxDMV Estimated Revenue	FY 2016 Comptroller Biennial Revenue Estimates*
<u>FUND 001 (General Revenue Fund)</u>			
Certificate of Titles	\$ 74,463,941	\$ 77,383,000	\$ 77,472,000
Motor Vehicle Registration Fees	\$ 61,522,207	\$ 64,069,900	\$ 64,173,000
OverSize/OverWeight	\$ 68,415,604	\$ 73,889,000	\$ 79,603,000
Commercial Transportation Fees	\$ 13,317,206	\$ 14,177,000	\$ 21,196,000
Total Estimated Fund 001 Revenue	\$ 217,718,958	\$ 229,518,900	\$ 242,444,000
<u>FUND 006 (State Highway Fund)</u>			
Motor Vehicle Registration Fees	\$ 1,342,353,855	\$ 1,375,913,000	\$ 1,419,568,000
OverSize/OverWeight	\$ 112,445,035	\$ 118,067,000	\$ 114,034,000
Total Estimated Fund 006 Revenue	\$ 1,454,798,890	\$ 1,493,980,000	\$ 1,533,602,000
TOTAL ESTIMATED REVENUE ¹	\$ 1,672,517,848	\$ 1,723,498,900	\$ 1,776,046,000

1 - Miscellaneous Objects estimated at approximately \$6.5 million per year are not included in this estimate.

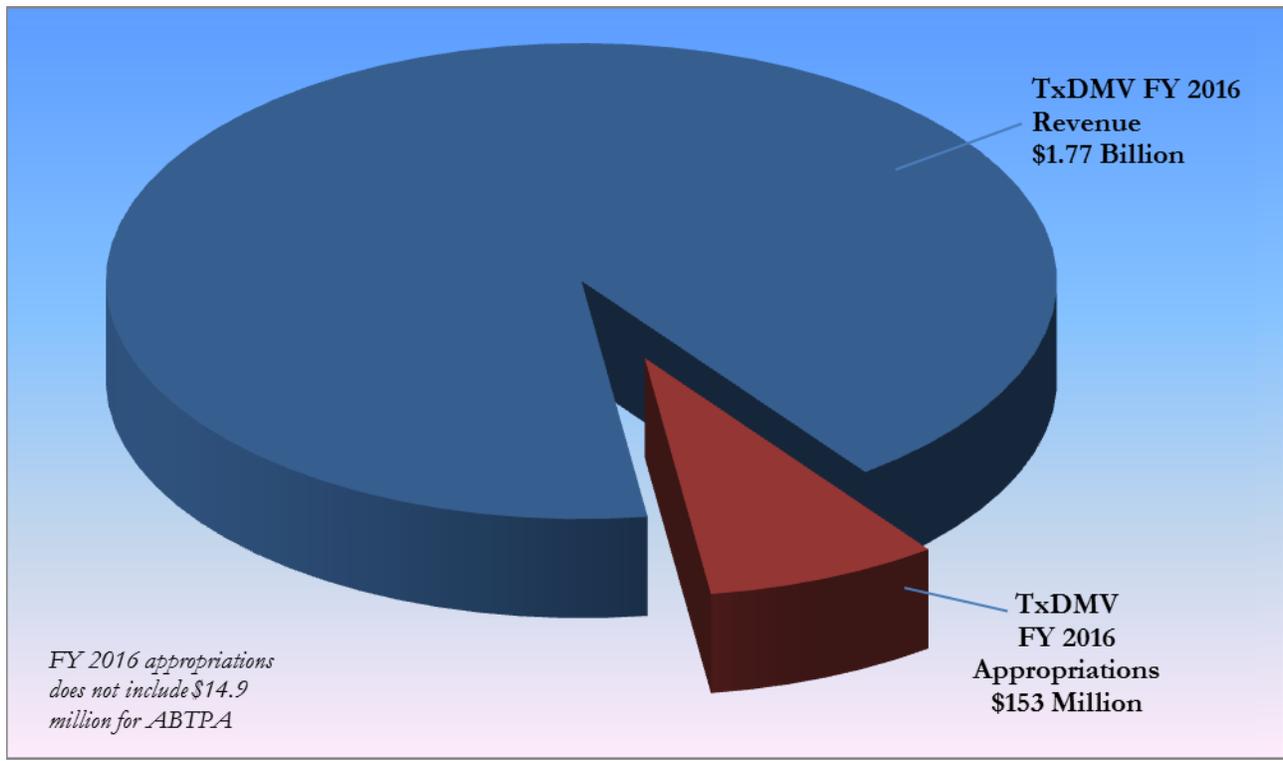
*Source: Texas Comptroller of Public Accounts, Biennial Revenue Estimate, 2016-2017 Biennium, 84th Texas Legislature, January, 2015.



Texas Department of Motor Vehicles

TxDMV estimates to collect approximately \$1.77 billion in all funds during Fiscal Year 2016. House Bill 1, 84th Legislature, Regular Session, appropriates \$168.2 million to the agency for Fiscal Year 2016. The agency's total revenue collections exceed its appropriations (net \$14.9 million for ABTPA) by approximately ten times.

TxDMV Fiscal Year 2016 Estimated Revenue vs. Appropriations





MyPlates Highlights

Contract Term:

The new contract began November 19, 2014 and will run for a term of five years. As of June 30, 2015 GR collections have totaled **\$5,758,403**. The first contract with MyPlates, Inc. expired on November 18, 2014; with GR collections totaling **\$ 27,334,768**.

Renewal Contract Provisions

Revenue Guarantee

The revenue guarantee for the renewed MyPlates contract is established at \$15 million to GR from the sale of vendor plates for the five-year renewal period that runs November 19, 2014 through November 18, 2019. Revenue counted toward meeting the minimum guarantee includes new sales, renewal sales, auction sales and ancillary products. However; the renewal contract is significantly different from the initial contract in that nearly all plate renewal revenue will flow to the state instead of MyPlates.

Revenue Share

New Plate Sales - TxDMV will continue to receive \$8 per plate per year as an administrative fee. The net revenue received for all new license plate sales will be divided with MyPlates receiving 60% and the state (General Revenue Fund) receiving 40%.

Plate Renewals - The net revenue received for all plate renewals will be divided with MyPlates receiving five percent and the state (General Revenue Fund) receiving 95%. This represents a significant change to the compensation structure of the first contract period. During the initial contract period renewal revenue was divided in the same manner as new plate sales.

Multi-Year and Auction Plates

The contract renewal eliminated the option of the 10-year plate. The renewal contract limits plate terms to one, three and five year terms. Revenue for the new multi-year and auction plate sales are divided 60% to the state and 40% to MyPlates.

Plate Inventory Management

New Plate Designs – The TxDMV board maintains sole discretion to approve new plate designs. Once a plate design has been approved by the TxDMV Board, MyPlates is required to provide 200 customer commitments within 180 days before the new design may be sold.

Existing Plate Designs – If a plate design fails to meet a milestone listed below, it will no longer be offered for sale. The previous contract did not place a lower limit on plate sales, but the renewed contract added the 200 plate minimum requirement to clean up inventory and remove slow selling plates.

90 days – 50 plates	180 days – 100 plates
270 days – 150 plates	365 days – 200 plates

Redesign "T" Plate – MyPlates is required, not later than the effective date of the renewal, to redesign the "T" Plate. Existing customers with a "T" Plate will be allowed to maintain their plate until they reach the replacement cycle (seven years). They will also be given the option of replacing the plate immediately at no cost.



Texas Department of Motor Vehicles

Design Specifications

All existing and new plate designs are required to meet the TxDMV standards for content, layout, color, and other limitations. TxDMV is required to notify MyPlates as soon as possible of any changes to the design standards, and MyPlates will be granted 180 days to submit redesigned plates to TxDMV.

MyPlates Facts:

Number of Plates in MyPlates Catalog

From the high point of 168 plate designs, 40 designs have been permanently discontinued. Of those, 95% were discontinued for low sales as required by the contract renewal. An additional two designs have been temporarily discontinued (Dallas Cowboys plates) while a new license agreement is being written and two were redesigned and repurposed.

Top Ten Plates

Ranked by plates ordered (both new and renewals) since November 2009

<u>Rank</u>	<u>Plate Description</u>	<u>Number Ordered</u>
1	Lone Star Black	61,422
2	T for Texas – Black	16,740
3	Texas Black 1845	16,018
4	Small Star Black	11,272
5	Texas White	6,373
6	Texas Vintage Black	5,989
7	Lone Star Pink	5,070
8	T for Texas – Red/White/Blue	4,460
9	Small Star Silver	3,748
10	Come & Take it Flag	3,712

Highest All Time Plate Sold

12THMAN Texas A&M Plate \$115,000 (\$79,590 GR)

General Revenue Collections

Under the contract renewal, GR receives more revenue. At the end of the first five-year contract, of the gross revenue generated, 38% was distributed to GR and 47% was distributed to the vendor. Seven months into the contract renewal, of the gross revenue generated, 47% was distributed to GR, and 41% was distributed to the vendor. (Under the contract renewal, GR gets 95% of the renewal revenue.)

Current Retention Rate for One year term Plates

64%



Texas Department *of* Motor Vehicles

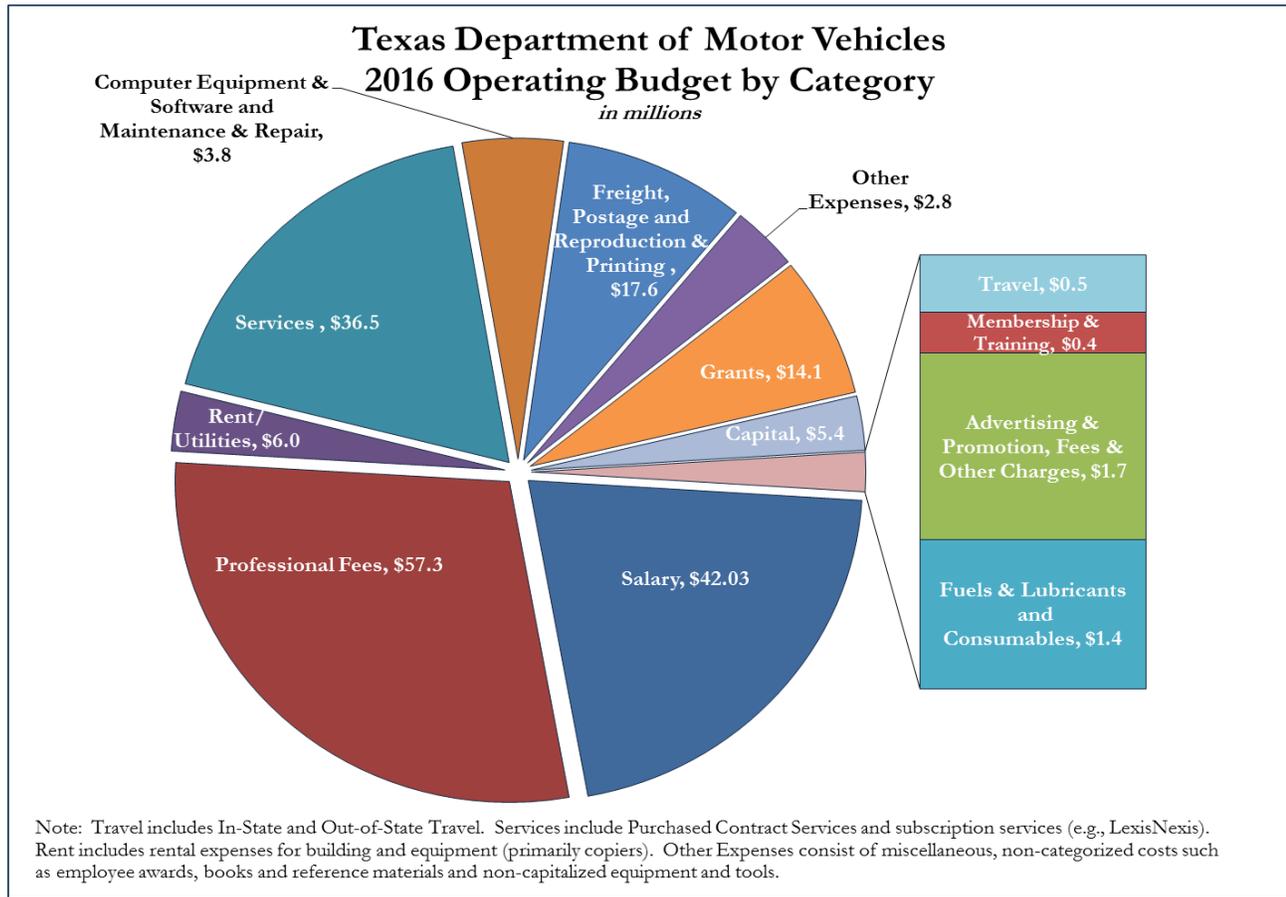
Part III: Fiscal Year 2016 Operating Budget



Agency Summary

TxDMV is governed by a nine member board appointed by the Governor, with the advice and consent of the Senate, to serve six-year overlapping terms. The agency’s mission is “to serve, protect and advance the citizens and industries in the state with quality motor vehicle related services.”

The Executive Director, Whitney Brewster, and Deputy Executive Director, Shelly Mellott, oversee the agency’s day-to-day operations. The executive director reports to the agency board and directs staff to enact operational changes as a result of enacted legislation and implement policies and rules approved by the board.



The agency’s Fiscal Year 2016 operating budget of \$199 million is an increase of \$63 million over the Fiscal Year 2015 approved budget of \$136 million. The increase is primarily due to projected carry-forward of unexpended balances, increased appropriations for the Data Center Contract and Technology projects (including Automation and AMSIT), and estimated appropriations for the statewide employee salary increase. In 2016, the budget includes appropriations for Benefit Replacement Pay. The funds are appropriated by the state to offset the loss of state paid Social Security contributions for some state employees who were subject to social security taxes. In prior years, these funds were not included in the budget; however, the funds are added to the agency’s budget to more accurately reflect appropriations.

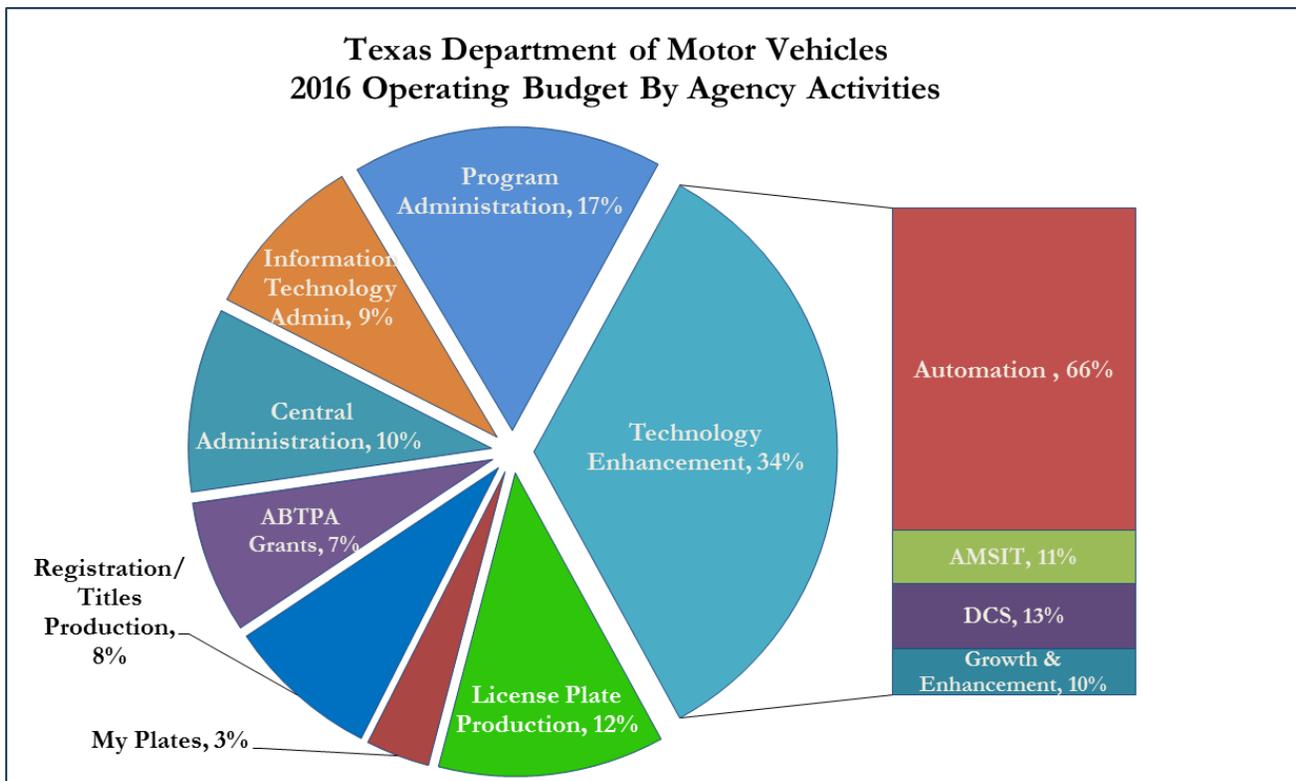
The pie chart above reflects the Fiscal Year 2016 operating budget by category. A description of the budget categories can be found in [Appendix A](#). Approximately one-third of the budget consists of Professional Fees (associated with Automation projects). The majority of the remaining budget is related to the production of registration materials, titles and plates (services, freight, postage, reproduction, printing, and other expenses) and salary expenses.



Texas Department of Motor Vehicles

The TxDMV budget is primarily allocated to registration, titling, and license plates and upgrading agency technology. The pie chart below shows that over 40% of the budget is allocated to technology administration (nine percent) and enhancement (34%). Of the 34% budgeted for technology enhancement more than two-thirds is earmarked for Automation projects. A total of 20% of the agency budget is dedicated to the production of registration and title materials (nine percent) and plates (12%).

Program Administration (17%) includes budgets for administration of agency programs including ABTPA, Motor Vehicle, Motor Carrier programs (Oversize/Overweight and Texas IRP), Inspections and Enforcement, Lemon Law (including management and administrative hearings), and Registration and Titling activities. The remainder of the budget includes funding for central administration/support services (10%), grants for ABTPA (seven percent), and the MyPlates contract (three percent).



Program Administration

ABTPA, Consumer Relations, Enforcement, Motor Carrier, Motor Vehicle, Office of Administrative Hearings, Vehicle Titles and Registration

Central Administration

Executive Office (including Civil Rights), Board Support Office, Finance and Administrative Services (excluding license plate production), Office of General Counsel, Government and Strategic Communications, Office of Innovation and Strategy, Internal Audit

Information Technology:

Enterprise Project Management
Information Technology Division



Fiscal Year 2016 Strategy Appropriations

The GAA appropriated \$168 million for Fiscal Year 2016. The GAA also includes additional appropriations for legislatively approved salary increases, certain unexpended balances and other allowable costs. The following chart depicts the TxDMV Fiscal Year 2016 budget by Program Goal and Strategy.

A. Goal: Optimize Services and Systems	2016 Preliminary Budget
A.1.1. Strategy: Titles, Registrations, and Plates	\$ 74,000,495
A.1.2. Strategy: Vehicle Dealer Licensing	\$ 4,094,083
A.1.3. Strategy: Motor Carrier Permits & Credentials	\$ 7,943,892
A.1.4. Strategy: Technology Enhancement & Automation	\$ 26,016,149
A.1.5. Strategy: Customer Contact Center	\$ 2,154,621
Total, Goal A: Optimize Services and Systems	\$ 114,209,240
B. Goal: Protect the Public	
B.1.1. Strategy: Enforcement	\$ 5,391,214
B.2.1. Strategy: Automobile Theft Prevention	\$ 14,912,006
Total, Goal B: Protect the Public	\$ 20,303,220
C. Goal: Indirect Administration	
C.1.1. Strategy: Central Administration	\$ 7,844,209
C.1.2. Strategy: Information Resources	\$ 23,579,214
C.1.3. Strategy: Other Support Services	\$ 2,244,336
Total, Goal C: Indirect Administration	\$ 33,667,759
Total TxDMV Appropriation Budget	\$ 168,180,219
Other Adjustments	
Estimated Appropriation Salary Increase for General State Employees Article IX Sec 18.02	\$ 992,281
Estimated Increase for Benefit Replacement Pay	\$ 121,186
Projected Unexpended Balance Carry-Forward	
Federal Grants and State Matching Fund (CVISN)	\$ 856,677
Capital - Tx Automation Systems Article VII Rider 5	\$ 28,730,221
Subtotal, Other Adjustments	\$ 30,700,365
Total TxDMV Operating Budget	\$ 198,880,584
Method of Finance	
General Revenue Fund	\$ 169,722,025
State Highway Fund (estimated Automation UB)	\$ 28,730,221
Federal Reimbursements	\$ 428,339
Total, Method of Finance	\$ 198,880,584



Fiscal Year 2016 Operating Budget by Category

The table below outlines the Fiscal Year 2016 operating budgets by TxDMV budget categories. The allocations by category are developed by the budget staff with input from agency management and represent estimates of anticipated costs based on prior year expenditures and planned obligations.

Budget Category	FY 2016 Preliminary Budget	
Salaries and Wages	\$	40,766,191
Other Personnel Costs	\$	1,297,624
Professional Fees and Services	\$	57,290,562
Fuels & Lubricants	\$	110,000
Consumable Supplies	\$	1,241,145
Utilities	\$	4,728,365
Travel In-State	\$	458,800
Travel Out-of-State	\$	56,750
Rent - Building	\$	933,931
Rent - Machine and Other	\$	316,248
Purchased Contract Services	\$	35,686,613
Advertising & Promotion	\$	597,534
Computer Equipment Software	\$	1,015,500
Fees & Other Charges	\$	1,097,167
Freight	\$	1,530,100
Maintenance & Repair	\$	8,666,316
Memberships & Training	\$	365,853
Other Expenses	\$	6,436,648
Postage	\$	10,096,060
Reproduction & Printing	\$	5,883,688
Services	\$	829,718
Grants	\$	14,054,270
Other Capital	\$	5,421,500
Total	\$	198,880,584

A description of the budget categories are in [Appendix A](#).



Fiscal Year 2016 Operating Budget by Division

The General Appropriations Act provides the agency with its total appropriation amount by goal and strategy. In comparison, the purpose of the operating budget is to establish a specific operating budget allocation by division and capital project.

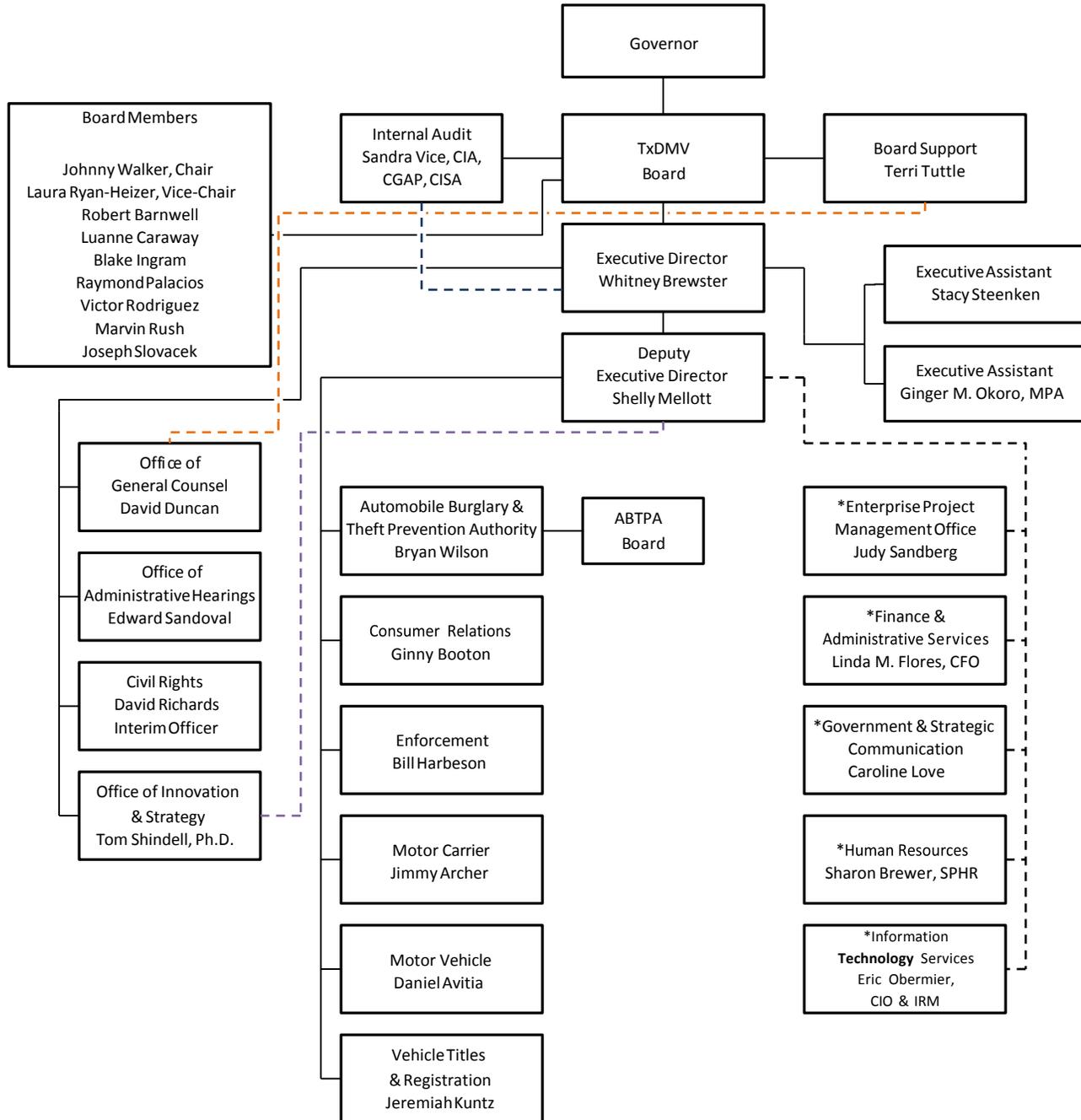
The table below outlines TxDMV's Fiscal Year 2016 operating budget and the number of FTEs by division/office.

Division/Office	FY 2016 Preliminary Budget	FTE Allocation
Automobile Burglary and Theft Prevention Authority	\$ 14,920,692	5.0
Board Support Office	\$ 155,021	1.0
Consumer Relations Division	\$ 2,197,844	45.0
Enforcement Division	\$ 5,518,321	81.0
Enterprise Project Management Office	\$ 1,577,105	17.0
Executive Office*	\$ 637,798	5.0
Finance and Administrative Services Division	\$ 36,264,675	71.0
Office of General Counsel	\$ 1,027,189	11.0
Government and Strategic Communications Division	\$ 1,409,689	10.0
Human Resources Division	\$ 856,100	8.0
Information Technology Services Division	\$ 16,227,931	93.0
Office of Innovation & Strategy	\$ 128,300	1.0
Internal Audit Office	\$ 291,654	3.0
Motor Carrier Division	\$ 7,028,314	119.0
Motor Vehicle Division	\$ 2,639,179	38.0
Office of Administrative Hearings	\$ 452,426	5.0
Vehicle Titles and Registration Division	\$ 36,317,209	250.0
Agency Wide	\$ 1,810,863	0.0
Subtotal	\$ 129,460,310	763.0
Capital Projects		
TxDMV Automation System Project (includes estimated UB from 2015)	\$ 44,808,422	
Data Center Consolidation	\$ 9,080,222	
Technology Replacement & Upgrades - County Support	\$ 5,500,000	
Growth & Enhancements - Agency Operations Support	\$ 949,498	
Application Migration and Server Infrastructure Transformation (AMSIT)	\$ 7,353,955	
CVISN (estimated UB from 2015)	\$ 856,677	
Relocation of Regional Service Centers	\$ 871,500	
Subtotal	\$ 69,420,274	
Agency Total	\$ 198,880,584	
Method of Finance		
General Revenue Fund	\$ 169,722,025	
State Highway Fund (estimated Automation UB)	\$ 28,730,221	
Federal Reimbursements	\$ 428,339	
Method of Finance Total	\$ 198,880,584	

*Executive office includes \$105,330 and 1 FTE for Civil Rights Office.



TxDMV Organizational Chart



**Note: Although these positions report directly to the ED, rank is equivalent to the Motoring Services Division Directors. The DED assumes the responsibilities of the ED in absentia.*



Fiscal Year 2016 TxDMV Operations

TxDMV responsibilities include titling and registering vehicles, licensing and regulating the motor vehicle sales and distribution industry, registering motor carriers, permitting oversize/overweight loads, and providing auto theft prevention grants. TxDMV program divisions/offices perform the agency's main and support functions as follows:

The **Automobile Burglary and Theft Prevention Authority (ABTPA)** support the ABTPA Board (a separate state entity) and carries out its duties through TxDMV staff. The Legislature provides \$14.9 million per year from GR to ABTPA through TxDMV appropriations to reduce motor vehicle burglary and theft in Texas. The mission of the ABTPA is to foster a statewide collaborative network to combat motor vehicle theft and burglary and to increase public awareness on how to reduce motor vehicle crimes. ABTPA fulfills its mission through grant programs to law enforcement agencies (referred to as Taskforces) and funding public awareness and prevention programs. In 2016 the authority and staff will focus on improving grant award processes, developing collaborative networks through outreach activities, and monitoring grantees for improved administrative, financial, and operational performance.

The **Office of Administrative Hearings (OAH)** is a new division created to function as an independent forum for hearings of consumer complaints filed under the Texas "Lemon Law." In 2016, the agency will continue to conduct administrative hearings across the state.

The **Board Support Office** serves as a liaison between the TxDMV Board and agency staff in gathering information for the Board. Its purpose is to assist the TxDMV Board Chairperson, members and executive director in planning and coordinating Board directed activities, including research and working with TxDMV staff to compile the monthly Board Key Performance Indicators report.

The **Consumer Relations Division (CRD)** is the agency contact center that serves customers by telephone, email and written correspondence. The contact center focuses on serving each customer in a "one touch" approach via any means of contact. Customers and industries served daily include the motoring public, dealers, law enforcement, local, state and federal agencies, legislative officials and constituents, dealer associations, manufacturers, distributors, lease facilitators, salvage yards, storage facilities, financial institutions, and insurance agencies. The contact center serves nearly 450,000 customers annually, with a focus on first call resolution for all consumer inquiries. With continuous focus on quality service, this division maintains the agency customer satisfaction survey and database to track consumer complaints, resolutions, compliments and suggestions. In the upcoming year, the division will complete the transition to a new telephone system, integrate real time chat capabilities, and increase training of first line customer service personnel to better serve agency customers.

The **Enforcement Division (ENF)** enforces the laws regulating the motor vehicle sales and distribution, salvage and motor carrier industries by investigating complaints and, when necessary, prosecuting violations in administrative proceedings. The division also oversees the states' "Lemon Law"/warranty performance program. Education programs for licensees, law enforcement, tax assessor-collectors, and the public are important elements of the division's overall enforcement efforts. In addition to continuing initiatives to streamline the investigative and legal processes, in Fiscal Year 2016, the division will expand its education programs to reach more Texas citizens with useful information on the car-buying process, rights under the state's "lemon law", safe household goods moves, and compliance with oversize/overweight laws.

The **Enterprise Project Management Office (EPMO)** is responsible and accountable for advancing the agency's vision, mission, and strategic goals through the application of standardized project management practices, processes, and governance. Its focus is to build project management maturity within TxDMV, become the agency's source of project management leadership and expertise, and develop and implement a standardized and repeatable approach for developing, documenting, and communicating project management information. Major projects to be managed by



Texas Department of Motor Vehicles

EPMO in 2016 include the continuation of RTS Refactoring, webDEALER, LACE Replacement, Phase II of Single Sticker and AMSIT. EPMO will also continue to work with Information Technology Services Division and other divisions in an effort to meet their project needs.

The **Executive Office (EXEC)** oversees the agency's day-to-day operations and directs agency staff to make changes based on laws enacted by the state legislature and policies and rules approved by the agency board. Also included in the Executive Office is the Civil Rights officer who promotes equality and upholds federal statutes prohibiting discrimination on the basis of race, color, sex, disability, religion, familial status, and national origin.

The **Finance and Administrative Services Division (FAS)** oversees budgeting, financial and administrative services functions of the agency. This division administers the development of the agency's strategic plan, biennial legislative appropriations request, annual operating budget, annual financial report and quarterly performance reports. The division coordinates building and mail services, fleet management, license plate manufacturing, security, agency inventory, county supply allocations, safety and risk management, etc. Initiatives for Fiscal Year 2016 include implementation of the TxDMV Fund and the registration process and handling fee, relocation of facilities (Bull Creek and Regional Service Centers) and asset management improvements.

The **Government and Strategic Communications Division (GSC)** facilitates, coordinates and maintains TxDMV's interactions with the federal, state and local government and agencies. The division develops and executes public relations communication strategies to ensure that information provided about agency programs and services is accurate, compliant with statutes, and aligned with agency communication standards. Project initiatives for Fiscal Year 2016 include communications to support the implementation of Single Sticker Phase II, webDEALER, LACE Replacement, and RTS Refactoring. Operational improvement initiatives include development of a communications management process for agency software releases, implementation of statutory accessibility mandates across the agency, and refinement of communication strategies.

The **Human Resources Division (HRD)** provides assistance to employees through wellness programs and by answering questions related to benefits and compensation, leave, salary groups, and job titles and descriptions. In addition, the division provides managers assistance with resolving employee issues, performance management, corrective actions and disciplinary actions. Initiatives for Fiscal Year 2016 include involvement in Phase II of CAPPS HR/PR implementation that will include new systems for recruitment, performance management, and learning management. The HRD will serve as the liaison with The University of Texas in administering the 2016 Survey of Employee Engagement. Several bills were passed by the 84th Legislature that impact human resources policies and procedures. The TxDMV Human Resources Manual policies will be developed and communicated to all employees.

The **Information Technology Services Division (ITSD)** provides agency-wide information technology support services and is responsible for the maintenance and support of the agency's major systems and technologies. Division departments include administration, support services, application services, infrastructure management, and security management. Change/Release management, which supports the assessment, prioritization, approval, and scheduling of IT related changes, is another critical function of ITSD. In 2016, separation activities will continue with the implementation of Application Migration & Server Infrastructure Transformation Project (AMSIT) using funding appropriated by the 84th Legislature. Additionally, the division will continue work on the Registration and Titling System (RTS) refactoring, Phase II of Single Sticker, webDEALER, and supervising the refresh of county computer equipment. ITSD will also be heavily involved with LACE Replacement and continue managing the Information Technology Change Management (ITCM) process.

The **Office of Innovation and Strategy (OIS)** provides assistance to the Executive Team in the formulation and management of operational plans. During 2016, the office will design and implement a process for developing operational plans and a system of measurable goals and objectives that link to the plans.



Texas Department of Motor Vehicles

The **Internal Audit Office (IAO)** provides independent and objective assurance services to the Board of Directors and the agency by periodically auditing the agency's functions, operations, and information systems and conducting investigations. At the Board or senior management's request, the division also offers advisory services that may include advice and counsel, facilitation, and training. Initiatives for Fiscal Year 2016 include minimizing impact to agency personnel with requests for data and streamlining internal audit processes.

The **Motor Carrier Division (MCD)** provides motor carrier interstate/intrastate registration and credentialing and issues oversize/overweight permits. The division operates three call centers during business hours and maintains three automated programs to provide customers with online, web-based services: the Motor Carrier Credentialing System (MCCS), the Texas International Registration Plan (TxIRP), and the Texas Permitting and Routing Optimization System (TxPROS). MCD maintains insurance filings on motor carriers and registration on commercial vehicles. In 2016, the division will work with state and federal partner agencies under an existing grant to continue the Commercial Vehicle Information Systems and Network (CVISN) program, though the 84th Legislature did not approve matching funds in the 2016-17 biennium to apply for a new grant.

The **Motor Vehicle Division (MVD)** ensures a sound and efficient system for distributing and selling motor vehicles in Texas through the licensing of the salvage industry, motor vehicle manufacturers, distributors, representatives, in-transit operators, franchise dealers, converters, lease facilitators, lessors, and used motor vehicle dealers doing business in Texas. Additionally, MVD acts as a forum for dispute resolution by providing mediation of disputes between franchise dealers and manufacturers. MVD oversees the processing and distribution of distinguishing license plates to new and independent dealers, in-transit operators, manufacturers, distributors and converters. Further, MVD regulates license holder's participation in shows and exhibitions that take place throughout Texas. During 2016, the division will be heavily involved in updating the Licensing, Administration, Consumer Affairs and Enforcement system (LACE).

The **Office of General Counsel (OGC)** provides legal support to the Board and agency staff, and the ABTPA Board, on rulemaking, statutory and regulatory interpretation, litigation, human resources, civil rights issues, contracts, intellectual property/trademarks, Board meeting planning and execution, and open records issues. Initiatives for Fiscal Year 2016 include revision of the agency's open records processes as part of the LACE replacement project, implementing best practices learned from other agencies' General Counsel Offices, and bringing more regulatory certainty through documentation of existing agency practices and procedures.

The **Vehicle Titles and Registration Division (VTR)** provide vehicle title, registration and related services, and support the 254 county tax assessor-collectors and their agents at 508 sites statewide. Sixteen regional service centers across the state provide title, registration and license plate services to the public, and VTR provides oversight and administration of the manufacture of general issue and specialty license plates, handicap placards, day specific permits, and dealer plate stickers. The VTR division oversees statewide participation in the National Motor Vehicle Title Information System (NMVTIS), which is designed to protect consumers from fraud, unsafe vehicles, stolen vehicle resale, and is a tool that assists law enforcement in determining and preventing title fraud and other crimes. In 2016, the VTR division will be involved in the implementation of Phase II of Single Sticker, rollout of the refactored RTS to the Tax Assessor Collectors, coordinating relocation of Regional Service Centers, and designing and implementing new specialty license plates enacted by the 84th Legislature.



Texas Department *of* Motor Vehicles

Part IV: Fiscal Year 2016 Capital Projects



2016 Capital Budget

TxDMV Capital Project Appropriations	FY 2016
Fiscal Year 2016 Appropriation	\$ 39,833,376
Estimated Unexpended Balance Carry-Forward	\$ 29,586,898
Total Capital Appropriations	\$ 69,420,274

	2016 Preliminary Budget
TxDMV Automation System ¹	
813003 HQ Communication Infrastructure (Automation)	\$ 433,934
813010 RTS Refactoring	\$ 21,147,544
813010 RTS Refactoring Workstream 4 Amendment	\$ 8,100,000
813013 RTS Data Purification/Name Address	\$ 130,000
813015 webDEALER E-Titles	\$ 3,416,584
813020 LACE	\$ 9,307,539
814027 Single Sticker Phase II	\$ 1,200,000
Unallocated	\$ 1,072,821
TxDMV Automation System Subtotal	\$ 44,808,422
Other Technology Projects	
Growth and Enhancements - Agency Operations Support	\$ 949,498
County Regional Technology Support	\$ 5,500,000
Application Migration & Server Transformation (AMSIT)	\$ 7,353,955
Data Center Consolidation	\$ 9,080,222
Other Technology Projects Subtotal	\$ 22,883,675
Other Capital Projects	
Relocation of Regional Service Centers	\$ 871,500
CVISN Estimated Unexpended Balance Carry-Forward	\$ 856,677
Other Capital Projects Subtotal	\$ 1,728,177
TXDMV Total Capital Budget	\$ 69,420,274

1. The TxDMV Automation project includes project funds for Fiscal Year 2017 which will be funded from budget balances remaining at year end of Fiscal Year 2016.



Capital Project Details

TxDMV Automation Systems Project (\$16.1 million + estimated \$28.7 million carry-forward)

TxDMV is developing information technology assets to improve customer services and access to agency programs for customers and the public through the TxDMV Automation System Project. This project encompasses entire agency operations in order to take advantage of operational efficiencies. This project also allows data sharing between agency functions to improve customer service. There are multiple initiatives in Fiscal Year 2016 that will be addressed through the TxDMV Automation Systems Project. Major projects include:

RTS Refactoring Project – The current Registration and Titling System (RTS) utilized by the TxDMV and county and deputy tax assessor-collectors to perform registration and title transaction for the motoring public was developed in the 1980s. The system holds nearly 100 million current and archived vehicle registration and titling records. In June 2013, TxDMV entered into a contract with Deloitte Consulting LLP as the vendor to refactor the existing system by updating the code from a mainframe program to a JAVA web-based system. The contract consists of multiple work streams that will continue through 2018.

The RTS Refactoring project began implementing the RTS Point of Sale (POS) application and the Cognos enterprise reporting tool in May 2015. Thus far, POS and Cognos have been deployed to TxDMV headquarters staff, 15 Regional Service Centers, and one pilot county (Bell). The team is currently working to streamline the deployment effort and fine tune the system, while also preparing for future deployments in order to ensure that all offices are using the refactored POS application and Cognos tool by the end of August 2015. Additionally, User Acceptance Testing for the RTS Core (mainframe replacement) began on July 6th, 2015, and the project team continues planning for future enhancements, which will be represented in a new project workstream.

webDEALER Project – The webDEALER project involves the development of a web-based computer system that will allow motor vehicle dealers to submit vehicle title and registration applications electronically. This project includes multiple phases; the system is now available for new car sales, used car sales, document management, and commercial fleet buyers. Remaining phases to be implemented in Fiscal Year 2016 are salvage titles, e-Tags, centralized payments, e-Titles, and private party sales.

LACE Replacement – This project consists of the procurement and implementation of a highly configurable web-based, self-service application to replace the existing Licensing, Administration, Consumer Relations, and Enforcement (LACE) system. A vendor contract is anticipated to be awarded in the fourth quarter of Fiscal Year 2015, and the project is to be substantially completed by the end of Fiscal Year 2017.

Technology Replacement & Upgrades for Counties (\$5.5 million)

This appropriation provides funding to deploy and maintain printers, computers, monitors, laptops, cash drawers, etc. deployed at county tax assessor-collector offices throughout the state. Additionally, it provides funding to support point-to-point connectivity to the agency's Registration and Titling System for all 254 counties and their 508 primary and substation locations. A major initiative for Fiscal Year 2016 will be the acquisition and deployment of new workstations and printers at all county primary and substation locations. This refresh of technology will allow the county tax assessor-collector offices to remain current in their technological assets and provide improved computing resources.



Data Center Consolidation (\$9.1 million)

This appropriation supports information technology infrastructure assets and functions through statutorily required participation in the State Data Center maintained by the Department of Information Resources (DIR). The total amount for Fiscal Years 2016-17 is \$16.7 million, which is an increase of \$7.4 million over Fiscal Years 2014-15. The increase allows TxDMV to address the impact on data center services from the continued efforts to build an IT infrastructure and also the implementation of the RTS refactoring project, the LACE Replacement project, and the impact of separating from TxDOT networks.

Agency Growth and Enhancement (\$0.9 million)

Agency operations support includes information resources activities that enhance or expand existing information resources services in TxDMV's individual program areas. This project includes the following: replacement of desktop computers, desktop printers, laptops, and peripheral devices; telephone system replacements and upgrades; replacement and upgrades of network equipment; the development of a VOIP (Voice over Internet Protocol) infrastructure; and the software licenses for enterprise applications. Additionally, the project includes division-level imaging and document management in the development of workgroup applications.

Commercial Vehicle Information Systems and Network (CVISN) (\$0.856 million in Carry-forward)

CVISN is a federal grant program that provides: 1) funding to enhance information exchange to improve commercial vehicle safety, 2) E-commerce solutions for credentials and fuels tax returns, and 3) automated screening of commercial vehicles at highway speeds. In Fiscal Year 2016 the carry-forward of estimated unspent balances from Fiscal Year 2015 will be used for services provided by Southwest Research Institute (SwRI) as they continue to provide technical support and maintenance related to CVISN (TxCVIEW) system architecture and programming.

Application Migration and Server Infrastructure Transformation (AMSIT) (\$7.4 million)

The Application Migration & Server Infrastructure Transformation Project (AMSIT) separates TxDMV applications, servers and network infrastructure from TxDOT locations and moves these services to an autonomous TxDMV environment within the consolidated data centers managed by the Department of Information Resources. The AMSIT project establishes logical 'move groups' based on definable characteristics of the application and infrastructure environments. The \$7.4 million budget will facilitate the acquisition of third-party services to establish a project-based approach to accomplish the project.

Applications that are targeted for separation include e-Tags, RTS Point-of-Sale, Motor Carrier Credentialing System (MCCS), Vehicle Title Registration-Electronic Document Management System (VTR-EDMS), SharePoint, Electronic Lien Titling System (ELTS) and revenue applications.

Relocation of Regional Service Centers (\$0.9 million)

TxDMV houses 191 FTE throughout the state within 16 regional service centers and satellite field office locations. The majority of the agency's fleet vehicles are also located at these sites. The majority of the sites are housed in TxDOT owned properties.

Funding in Fiscal Year 2016 provides for the relocation, reconfiguration, and rent for two medium-size regional service centers. Internal planning has begun on deciding which locations will be moved, and the schedules for those relocations will be initiated in Fiscal Year 2016.



Relocation of Bull Creek Campus Facilities (\$0.8 million in Fiscal Year 2017)

Funding is provided in Fiscal Year 2017 in the amount of \$800,000 for capital costs related to the relocation of the TxDMV Bull Creek Campus facility. Capital funding provides for the infrastructure technology costs at a new location and new furniture. Planning will start in Fiscal Year 2016 to develop a more specific schedule for this relocation.



Texas Department *of* Motor Vehicles

Part V: Fiscal Year 2016 Contracts



Significant Effects of Senate Bill 20 on TxDMV Contracts

Senate Bill (SB) 20 is an over-arching, state-wide contracting reform bill. The bill is designed to provide more transparency and accountability in the state's contracting processes. While not all processes, policies and procedures have been implemented or developed at the state-wide level, several provisions make significant changes that affect TxDMV contracts. The effective date of the bill is September 1, 2015.

Divisions Affected

Five TxDMV divisions will be directly impacted by the bill. A workgroup has been created which includes staff from the following divisions:

- Enterprise Management Office;
- Finance and Administrative Services;
- Office of General Counsel,
- Human Resources; and
- Information Technology

Modifications to TxDMV Contracting Process

As stated above, not all of the policies and procedures have been developed. Some of these policies are dependent on other agencies such as the Comptroller of Public Accounts and DIR to make determinations on overall state-wide contracting procedures. However, agency staff has initially identified several TxDMV modifications as follows:

- Retention schedules for contracts will be changed from the current four years to seven;
- New reporting requirements will be required for inclusion on the TxDMV website;
- New rules will be necessary to address posting requirements, statements of work, and contract monitoring, and
- Revisions necessary to the procurement process to address vendor performance and changes to threshold amounts.

Effective September 1, 2015, TxDMV must submit and receive approval from DIR of statements of work involving DIR information technology contracts in excess of \$50,000. Additionally, procurements of more than \$1 million can no longer be processed utilizing the DIR contracts; TxDMV must conduct its own solicitation.

Governing Body Approval

S.B. 20 requires that a purchase of goods or services with a value exceeding \$1 million must be approved by the governing body; however, the governing body, as appropriate, may delegate to the executive director the approval and signature authority.



Fiscal Year 2016 Contract Summary

The agency executes contracts that are statutorily required and also executes contracts that are not required by law but enable it to perform its duties and operations. The Board's approval of the operating budget constitutes approval of any contracts listed in the operating budget.

The agency will execute approximately 200 new contracts and renewals of existing contracts that are not statutorily required but assist the agency in performing its operations.

The agency anticipates the renewal of 17 statutorily required contracts in Fiscal Year 2016.

The Fiscal Year 2016 budget currently includes:

- 13 contracts of more than \$200,000
 - ✓ 5 of which require board approval
- 6 contracts between \$100,000-\$200,000
- 152 contracts of less than \$100,000
- 28 IT Staff Augmentation contracts
- 17 statutorily required contracts

The following pages detail both statutorily required and optional contracts by division, vendor, purpose, contract period, and amount.

Note:

The contracts listed on the following pages are subject to change based on the final terms and conditions negotiated.



Fiscal Year 2016 Delegated and Statewide Contracts more than \$200,000

Contracts, including Statewide Contracts that have a cumulative cost value of more than \$200,000, (Commodities over \$25,000 and Services over \$100,000 must be reviewed by the Texas Comptroller of Public Accounts; Government Code 2156.121) may be delegated to the agency by the Texas Comptroller of Public Accounts. The executive director must obtain board approval for contracts of more than \$200,000 and ensure that the contract is within budget guidelines in accordance with established procurement contract laws, rules, regulations and policies of oversight agencies.

The contracts are presented below to obtain Board approval for the proposed contract amounts.

DIVISION	VENDOR	PURPOSE	CONTRACT PERIOD		FY 2016 CONTRACT AMOUNT	TOTAL CONTRACT AMOUNT
			AWARD	EXPIRE		
EPMO	Deloitte Consulting LLP	RTS Refactoring Workstream 4	09/01/15	08/31/18		
IT	Explore Information Services	TxIRP maintenance	04/01/14	03/31/16	\$ 320,292	\$ 640,584
MCD	Promiles Software Development Corp	TxPROS System - web hosting and maintenance services	04/01/14	03/31/16	\$ 238,200	\$ 709,850
MCD/IT	Southwest Research Institute	CVISN Consulting Services	03/31/14	01/31/16	\$ 741,157	\$ 1,386,000
VTR	American Association of Motor Vehicle Administrators (AAMVA)	National Motor Vehicle Title Information System (NMVTIS) SFTP (file transfer) service through AAMVA	10/01/15	09/30/16	\$ 240,000	\$ 240,000
Total					\$ 1,539,649	\$ 2,976,434

The following contracts are more than \$200,000. In accordance with the Board resolution, these contracts are excluded from board approval procedures. These contracts include those for routine operations, procured from the Texas Council on Competitive Government, DIR and Texas Procurement and Support Services (TPASS).

DIVISION	VENDOR	PURPOSE	CONTRACT PERIOD		FY 2016 CONTRACT AMOUNT	TOTAL CONTRACT AMOUNT
			AWARD	EXPIRE		
VTR	R.R. Donnelley Title Paper	Title paper	03/01/15	02/28/18	\$ 343,046	\$ 1,111,804
EPMO	Deloitte Consulting LLP	RTS Refactoring	06/11/13	06/10/16	\$ 4,159,473	\$ 39,624,197
EPMO	The Greentree Group	RTS IV & V services	06/01/13	05/31/16	\$ 474,235	\$ 1,422,705
IT	Insight Public Sector	RTS equipment maintenance, management, installation & moves	08/07/13	08/06/15	\$ 270,000	\$ 520,000
FAS	Ragsdale-Brookwood Venture	Texas Facilities Commission State Lease for Houston Regional Service	09/01/15	08/31/24	\$ 282,962	\$ 3,037,604
IT	HP Enterprise Services	e-Tags Maintenance and Support	07/08/14	07/07/16	\$ 216,000	\$ 462,336
IT	CDW Government LLC	Blanket Cisco SMARTNET Maintenance	08/26/14	08/31/16	\$ 228,954	\$ 457,908
GSC	Intratek Computer, Inc.	ITSAC contractor for GSC	09/01/15	08/31/16	\$ 205,920	\$ 205,920
Total					\$ 6,180,590	\$ 46,842,474



Fiscal Year 2016 Statutorily Required Contracts and Term Contracts (Informational Only)

Contracts required by statute include but are not limited to the State Office of Administrative Hearings (contested cases), the State Office of Risk Management (SORM), Workers' Compensation, vehicle liability insurance and property insurance, and the Texas Department of Criminal Justice (manufacturing of license plates, registration stickers and placards, etc.).

Anticipated statutorily required contracts for Fiscal Year 2016

DIVISION	VENDOR	PURPOSE	CONTRACT PERIOD		FY 2016 CONTRACT AMOUNT	TOTAL CONTRACT AMOUNT
			AWARD	EXPIRE		
FAS	Comptroller of Public Accounts	Texas Fleet Systems (TxFS)	09/01/15	08/31/20	\$ 406	\$ 2,033
VTR	Standard Register Company	Point-of-sale registration stickers	04/30/15	04/30/18	\$ 4,550,273	\$ 7,731,600
VTR	PrintMailPro, LTD	Mailing of registration renewal notices	05/02/14	05/01/16	\$ 395,000	\$ 665,788
FAS	Central Freight Lines, Inc.	Transportation/freight services for plates	09/01/15	08/31/16	\$ 1,015,000	\$ 1,015,000
IT	Department of Information Resources	Data center services*	09/01/12	08/31/20	\$ 9,080,222	\$ 31,792,299
FAS	Texas Department of Criminal Justice	Manufacturing of license plates, stickers, temporary tags & placards	09/01/15	08/31/16	\$ 23,022,845	\$ 23,022,845
FAS	Open Text, Inc.	Digital imaging services	09/01/15	08/31/16	\$ 3,415,876	\$ 3,415,876
FAS	Texas Department of Transportation	Interagency contract between TxDMV & TxDOT	09/01/15	08/31/16	\$ 2,500,000	\$ 2,500,000
IT	Texas NICUSA	Web hosting for Texas Online (MyPlates, TX IRP, Vehicle Reg Renewals, County fees)	09/01/13	08/31/16	\$ 514,620	\$ 1,657,269
FAS	TIBH Industries	Headquarters janitorial services	09/01/14	08/31/16	\$ 166,569	\$ 345,001
FAS	TIBH Industries	Regional office janitorial services	06/01/15	05/31/16	\$ 227,357	\$ 227,357
VTR	TIBH Industries	Specialty license plates mail preparation & mailing service	09/03/14	09/02/16	\$ 171,282	\$ 342,564
AGYWD	State Office of Risk Management (SORM)	Workers compensation & risk management services	09/01/15	08/31/16	\$ 64,084	\$ 64,084
FAS	Texas State Library & Archives Commission	Records storage	09/01/15	08/31/16	\$ 17,000	\$ 17,000
MVD	State Office of Administrative Hearings	Interagency Contract for Administrative Hearings	09/01/15	08/31/16	\$ 70,900	\$ 70,900
FAS	Arthur J Gallagher Risk Management Services, Inc.	Property liability insurance per State Office of Risk Management (SORM)	04/30/15	04/30/16	\$ 2,000	\$ 2,000
FAS	Alliant Insurance Services Inc.	Fleet automobile insurance policy	09/01/15	08/31/16	\$ 22,062	\$ 22,062
Total					\$ 45,235,495	\$ 72,893,677

* Total contract amount for Data Center Services includes 2016 and 2017 appropriated amount.



Fiscal Year 2016 Delegated and Statewide Contracts \$100,000 - \$200,000 (Informational Only)

Contracts, including Statewide Contracts that have a cumulative cost value from \$100,000 to \$200,000 (Commodities over \$25,000 and Services over \$100,000 must be reviewed by the Texas Comptroller of Public Accounts; Government Code 2156.121) may be delegated to the agency by the Texas Comptroller of Public Accounts. If delegated, these are executed by FAS at the executive director’s discretion within budget guidelines in accordance with established procurement contract laws, rules, regulations and policies of oversight agencies. The executive director will report contract executions to the board.

DIVISION	VENDOR	PURPOSE	CONTRACT PERIOD		FY 2016 CONTRACT AMOUNT	TOTAL CONTRACT AMOUNT
			AWARD	EXPIRE		
FAS	U.S. Bank National Association ND/ Voyager Card	Maintenance, fuel and parts for fleet vehicles	05/01/14	04/30/16	\$ 129,166	\$ 340,529
EPMO	SHI Government Solutions	Software Maintenance - RTS Refactoring	09/30/14	09/29/15	\$ 145,190	\$ 1,953,388
EPMO	Dell Marketing LP	Software Maintenance - RTS Refactoring	10/01/13	09/30/16	\$ 177,247	\$ 349,324
IT	Black Book	Web Portal Service	06/01/15	05/31/16	\$ 102,000	\$ 204,000
IT	NTT Data, Inc.	Server/Application Maintenance/Support (SAMS)	02/01/14	01/31/16	\$ 130,785	\$ 575,449
FAS	RDT Leasing	Dallas/Carrollton RSC Lease	04/01/15	03/31/16	\$ 119,993	\$ 559,991
Total					\$ 804,381	\$ 3,982,681



Fiscal Year 2016 Delegated and Statewide Contracts less than \$100,000
(Informational Only)

Contracts, including Statewide Contracts under \$100,000 for services and \$25,000 for commodities are delegated to state agencies by the Texas Comptroller of Public Accounts (Government Code 2155.132). These include but are not limited to competitively bid contracts for goods and services that are executed by FAS at the executive director's discretion within budget guidelines in accordance with established procurement contract laws, rules, regulations and policies of oversight agencies.

CATEGORY	DIVISION	VENDOR	PURPOSE	CONTRACT PERIOD		FY 2016 CONTRACT AMOUNT	TOTAL CONTRACT AMOUNT
				AWARD	EXPIRE		
Contractors	FAS	TIBH Industries, Inc.	Contract worker	05/01/15	11/30/15	\$ 37,640	\$ 77,870
	VTR	TIBH Industries, Inc.	Technical Writer	04/30/15	04/29/16	\$ 94,680	\$ 130,063
Building Leases	FAS	Gravel Drive, LTD.	Lease of Fort Worth Regional Service Center	09/01/15	08/31/16	\$ 77,625	\$ 472,219
	FAS	Burnham Properties, Ltd. c/o Scott Property	El Paso RSC - TFC	11/01/15	10/31/16	\$ 53,829	\$ 116,559
	FAS	Tony Martin, Trustee	Waco RSC - TFC	09/01/15	08/31/16	\$ 35,826	\$ 209,132
	FAS	4015 Limited Partnership	Warehouse Lease	05/01/15	04/30/20	\$ 20,337	\$ 101,684
	VTR	PrintMailPro, LTD	Warehouse Lease	10/01/14	09/30/15	\$ 2,520	\$ 7,410
Total						\$ 322,457	\$ 1,114,936

The following table is a summary of the contracts that are less than \$100,000 grouped by category.

CATEGORY	PURPOSE	FY 2016 AVERAGE CONTRACT AMOUNT	FY 2016 COMBINED CONTRACT AMOUNT	TOTAL COMBINED CONTRACT AMOUNT
Memberships & Licenses 45 Contracts	Bar Dues \$5,400 Memberships \$70,142 Subscriptions \$117,347	\$ 4,286	\$ 192,889	\$ 277,677
Technology, Hardware/Software Maintenance 11 Contracts	Hardware Maintenance \$2,558 Software Maintenance \$376,568	\$ 34,466	\$ 379,126	\$ 752,892
Copier & Equipment Leases 62 Contracts	60 Copiers \$245,097 Equipment \$79,269	\$ 5,232	\$ 324,366	\$ 777,600
Service Contracts 16 Contracts	IT-related \$184,312 Cellular \$112,000 Delivery/Courier \$103,329 Other \$54,350	\$ 27,749	\$ 443,991	\$ 1,431,715
Miscellaneous 11 Contracts		\$ 14,794	\$ 162,739	\$ 215,508
Total			\$ 1,503,111	\$ 3,455,392



Fiscal Year 2016 Information Technology Staff Augmentation (Informational Only)

Generally, contracts over \$200,000 must be reviewed and approved by the TxDMV Board; however, the TxDMV Board resolution adopting contract approval procedures excludes from approval those contracts with DIR for routine operations. The list of Information Technology-related staff augmentation contracts for 2016 listed below are for informational purposes only.

Note that contract amounts are subject to change based on agency needs and the final terms and conditions negotiated.

DIVISION	VENDOR	CONTRACT PERIOD		Primary Projects	FY 2015 Estimated Expenditures	FY 2016 CONTRACT AMOUNT	TOTAL CONTRACT AMOUNT
		AWARD	EXPIRE				
EPMO	Texas GovLink Inc.	02/01/12	12/31/15	RTS Refactoring	\$ 272,165	\$ 94,987	\$ 1,177,013
EPMO	OSS, Inc.	09/01/11	03/31/16	RTS Refactoring	\$ 251,289	\$ 149,240	\$ 1,246,068
EPMO	NF Consulting Services	09/01/11	07/31/16	Multiple Projects	\$ 232,690	\$ 215,453	\$ 1,258,810
EPMO	Robert Half International Inc.	08/17/14	Pending Renewal	HQ/Call Center	\$ 277,751	\$ 234,000	\$ 550,000
EPMO	NF Consulting Services	12/12/12	12/11/15	webDEALER	\$ 197,671	\$ 60,667	\$ 882,027
EPMO	Allied Consultants Inc.	06/09/14	12/07/15	RTS Refactoring	\$ 35,307	\$ 55,176	\$ 197,059
EPMO	Computer Consultants International	03/18/14	03/14/16	RTS Refactoring	\$ 181,116	\$ 187,200	\$ 398,790
EPMO	Luna Data Solutions	11/05/12	12/09/15	IT Operating	\$ 188,587	\$ 54,600	\$ 658,676
EPMO	National Human Resources Group, Inc.	07/23/13	07/22/16	webDEALER	\$ 183,637	\$ 169,693	\$ 523,187
EPMO	Luna Data Solutions	10/01/12	01/08/16	Multiple Projects	\$ 172,846	\$ 66,300	\$ 567,044
IT	C & T Information Technology	09/01/11	12/09/15	IT Operating	\$ 159,018	\$ 51,567	\$ 779,507
EPMO	Loblolly Consulting, LLC	02/02/15	01/29/16	webDEALER	\$ 94,665	\$ 66,300	\$ 243,100
EPMO	Integrateus	03/27/14	03/31/16	RTS Name Parsing and Data Purification	\$ 177,741	\$ 103,133	\$ 457,233
EPMO	Soal Technologies, LLC	08/18/14	Pending Renewal	Multiple Projects	\$ 174,499	\$ 172,640	\$ 355,240
EPMO	Allied Consultants Inc.	09/02/14	Pending Renewal	Multiple Projects	\$ 157,973	\$ 163,280	\$ 335,980
EPMO	Allied Consultants Inc.	06/27/11	01/31/16	Multiple Projects	\$ 149,309	\$ 65,433	\$ 634,298
EPMO	Allied Consultants Inc.	09/29/11	07/31/16	Multiple Projects	\$ 142,605	\$ 143,000	\$ 695,860
EPMO	Allied Consultants Inc.	09/01/11	10/30/15	RTS Refactoring	\$ 159,422	\$ 25,480	\$ 579,505
EPMO	NF Consulting Services	08/05/14	08/04/16	RTS Refactoring	\$ 104,874	\$ 145,600	\$ 262,080
EPMO	TIBH Industries, Inc.	09/03/14	01/09/16	RTS Refactoring	\$ 107,834	\$ 52,900	\$ 238,049
EPMO	National Human Resources Group, Inc.	07/14/14	07/13/16	RTS Refactoring	\$ 106,634	\$ 114,660	\$ 245,700
IT	TIBH Industries, Inc.	05/08/15	05/07/16	RTS Refactoring	\$ 30,641	\$ 85,566	\$ 199,654
IT	TIBH Industries, Inc.	05/08/15	05/07/16	RTS Refactoring	\$ 28,817	\$ 85,566	\$ 199,654
IT	TIBH Industries, Inc.	05/19/14	11/17/15	IT Operating	\$ 110,214	\$ 28,023	\$ 164,805
EPMO	Intratek Computer Inc.	09/16/14	09/11/15	RTS Refactoring	\$ 91,492	\$ 13,650	\$ 122,850
IT	TIBH Industries, Inc.	05/12/11	No Renewal Request as of Yet	IT Operating	\$ 106,258	\$ 81,292	\$ 385,938
IT	TIBH Industries, Inc.	09/06/11	No Renewal Request as of Yet	IT Operating	\$ 101,114	\$ 81,292	\$ 377,664
IT	TIBH Industries, Inc.	10/07/13	Pending Replacement	IT Operating	\$ 36,457	\$ 42,474	\$ 125,512
Total					\$ 4,032,622	\$ 2,809,172	\$ 13,861,303



Texas Department *of* Motor Vehicles

Appendix A: Budget Category Definitions



Budget Category Definitions

In Alphabetical Order

Advertising and Promotion - Includes radio/media ads, posters, signage, brochures, flyer production, and other promotional items.

Capital – Includes items established as “Capital Items” by the agency, or greater than \$5,000, which have capital authority as outlined in Rider 2 of the General Appropriations Act, 84th Legislature, such as Acquisition of Information Resource Technology, land and buildings, relocation of facilities, and aggregate furniture purchases in excess of \$100,000.

Computer Equipment – The purchase and replacement of personal information technology equipment and peripherals such as workstations, monitors, keyboards, and laptops.

Consumables – Standard consumable costs required to run the day-to-day operations of the agency such as paper, pens, pencils, media discs and USB drives, paper clips and staples.

Contract Services – General jobs outsourced to third party companies and organizations for the benefit of the agency such as MyPlates and PrintMailPro.

Fees and Other Charges – Credit card processing fees, employee health insurance fees, State Office of Risk Management insurance charges, and court filing fees.

Freight – Costs to transport license plates to county tax offices.

Fuels and Lubricants – Fleet maintenance and operation costs related to oil changes and refueling fleet vehicles.

Grants – Pass through funds designated for use by city, county, and other state agencies for a specific, contractual requirement.

Maintenance and Repair – Expenditures related to the upkeep of agency facilities, equipment, and software used on agency systems for annual application support such as e-Tags and International Registration Plan (IRP).

Membership and Training – Fees for training courses and conference registrations for agency staff. Also included are expenditures for memberships for agency personnel such as Texas Association of Public Purchasers, American Association of Motor Vehicle Administrators (AAMVA) and the National Board of Motor Vehicle Boards and Commissions.

Other Expenses – Includes office furniture and equipment, and miscellaneous non-categorized costs such as employee awards, publication purchases, parts, promotional items, and non-capitalized tools. Also included in this category is a portion of the funding for TxDMV Automation, and Growth and Enhancement.

Postage – Includes costs of metered mailing for license plates, registration renewal notices, and titles; and includes the cost of the rental of agency post office boxes.

Professional Fees – Work, requiring specific expertise, provided by third party professionals holding specific certifications and qualifications.

Rent – Building/Rent – Machine, Other – Costs associated with procurement of project facilities such as office rental, off-site training rooms; and costs associated with the rental of office equipment such as postage meters and copy machines.



Texas Department *of* Motor Vehicles

Reproduction and Printing – Includes all agency printed materials primarily used in registration renewal notices and titles such as notification inserts, envelopes, and title paper.

Salary – Includes salaried workers and interns, longevity pay, health insurance contributions, and retirement contributions. Does not include contract workers who are not a part of the organization's normal payroll.

Services – Includes costs associated with services provided to TxDMV through subscription such as National Motor Vehicle Information System (NMVTIS) and LexisNexis.

Travel (In-State/Out-of-State) – Planned travel costs provided to participant. Includes transportation, meals and accommodations, and travel per-diems.

Utilities – Costs associated with providing services at facilities such as electricity, telephone, water, and natural gas.



Appendix B: Budget Terms and Definitions



Budget Terms and Definitions

Appropriated – Refers to the dollars or associated full-time equivalent (FTE) positions authorized for specific fiscal years, and to the provisions for spending authority.

Appropriation Year (AY) – Refers to the specific fiscal year for which an appropriation is made. The appropriation year dictates the year to which the expenditure is authorized/charged.

Annual Operating Budget – An agency’s approved Annual Operating Budget represents a one-year financial plan supporting the agency’s business operations and addresses base operating requirements and adjustments. The budget covers funding for each division and reflects the most appropriate method of finance and strategy for core activities and continuing programs. The TxDMV Recommended Annual Operating Budget reflects Fiscal Year 2016 appropriations as identified H.B. 1, 84th Legislature, Regular Session, GAA. The agency’s final Annual Operating Budget covers a one-year period from September 1 through August 31.

Base Request – The base request represents the basis for the agency’s biennial budget. The base request cannot exceed the appropriated amount established by the legislature through the prior biennial GAA, adjusted for Article IX appropriation reductions.

Benefit Replacement Pay – Benefit Replacement Pay (BRP) is compensation authorized by the Texas Legislature to offset the loss of state-paid Social Security contributions. S.B.102, 74th Legislature eliminated the state-paid Social Security payment, effective December 31, 1995. After this date, eligible employees began receiving a supplement known as Benefit Replacement Pay (BRP) in place of the state-paid Social Security payment. Eligible employees include those that were employed by the state and subject to FICA taxes on August 31, 1995, and have been continuously employed by the state since that date; employees that left the state but returned within 30 consecutive calendar days and those that retired before June 1, 2005, and returned to work with the state before September 30, 2005.

Biennium – Two-year funding cycle for legislative appropriations.

Capital Budget – The portion of an agency’s appropriation that is restricted to expenditures for designated capital construction projects or capital acquisitions.

Centralized Accounting and Payroll/Personnel System (CAPPS) – CAPPS is the official name of the statewide Enterprise Resource Planning (ERP) system created by the Comptroller’s of Public Accounts (CPA) office ProjectONE team. CAPPS will replace legacy systems with a single software solution for financial and Human Resources (HR)/Payroll Administration for Texas state agencies. The modules for TxDMV’s CAPPS include: Asset Management; General Ledger/Commitment Control (Budget); Payables; Purchasing/eProcurement; HR and Payroll Administration.

Expended – Refers to the actual dollars or positions utilized by an agency or institution during a completed fiscal year; a goal or strategy; an object of expense; or an amount from a particular method of finance.

General Appropriations Act (GAA) – The law that appropriates biennial funding to state agencies for specific fiscal years and sets provisions for spending authority.

General Revenue (GR) Fund – The fund (Fund 001) that receives state tax revenues and fees considered available for general spending purposes and certified as such by the Comptroller of Public Accounts.



Texas Department of Motor Vehicles

Federal Funds/Grants – Funds received from the United States government by state agencies and institutions that are appropriated to those agencies for the purposes for which the federal grant, allocation, payment or reimbursement was made.

Full-Time Equivalents (FTEs) – Units of measure that represent the monthly average number of state personnel working 40 hours per week.

Fiscal Year (FY) – September 1 through August 31 and specified by the calendar year in which the fiscal year end, e.g. fiscal year 2016 runs from September 1, 2015 through August 31, 2016.

Lapsed Funds – The unobligated balance in an item of appropriation that has not been encumbered at the end of a fiscal year or at the end of the biennium. Appropriations expire if they are not 1) obligated by August 31 of the appropriation year in which they were made or 2) expended within two years following the last day of the annual year.

Line-item – An element of spending authority granted to an agency or institution in an appropriations bill. It is literally, a line in the General Appropriations Act specifying an agency's appropriations for a specific designated use. In Texas, the governor may veto a line-item.

Method of Finance – This term usually appears as a heading for a table that lists the sources and amounts authorized for financing certain expenditures or appropriations made in the General Appropriations Act (GAA). A source is either a "fund" or "account" established by the comptroller or a category of revenues or receipts (e.g. federal funds).

Rider – A legislative directive or appropriation inserted in the GAA following appropriation line-items for an agency or in the special or general provisions of the act. A rider provides direction, expansion, restriction, legislative intent or an appropriation. The term also applies to special provisions at the end of each article and general provisions in the GAA. A rider appropriation is distinguished from a regular appropriation (i.e., line-items in the GAA) and a special appropriation (i.e. legislation other than the GAA).

Salary Budget – Fiscal Year 2016 salaries include projected annual costs based on Fiscal Year 2015 actual salaries with adjustments for vacancies, merits and Fiscal Year 2016 longevity costs.

State Highway Fund (Fund 006) – Constitutionally created fund that dedicates net revenues from motor vehicle registration fees and taxes on motor fuels and lubricants. Revenue in the State Highway Fund is used for highway construction and maintenance, acquisition of rights-of-way and law enforcement on public roads.

Unexpended Balance (UB) or Carry-Forward – The amount left in an item of appropriation at the end of an appropriation period and includes only that part of the appropriation, if any, which has not had an obligation or commitment made by the agency in charge of spending the appropriation. The term also refers to the amount of an appropriation, a fund or a category of revenue which is brought forward (appropriated) to the succeeding fiscal year. Agencies must have legislative authority to move funds from one year to the next and/or from one biennium to the next biennium.



Texas Department *of* Motor Vehicles

Appendix C: Finance and Administrative Services Contacts



Finance and Administrative Services Contacts

Linda Flores, Chief Financial Officer
512-465-4125

Renita Bankhead, Assistant Chief Financial Officer
512-465-1216

David Chambers, Purchasing Manager
512-465-1257

Sergio Rey, Financial Administration Manager
512-465-4203

Ann Pierce, Administrative Services Assistant Director
512-465-4100

Budget Analysts

Tricia Ueckert, Budget Team Lead
512-465-1401

John Ralston, Sr. Budget Analyst
512-465-4182

Kenneth Biddle, Budget Analyst
512-465-5831

Delores Hubbard, Budget Analyst
512-465-4195

Jack Starnes, Budget Analyst
512-465-4178

Revenue Forecasting

Theo Kosub, Financial Analyst
512-465-1448

Brian Kline, Financial Analyst
512-465-4194

Planning

Lisa Conley, Planner
512-465-4186