

Testimony for Peter Stamison
January 24, 2012

Members of the LHC, DGS and distinguished guests. I am Peter Stamison and I reside with my family in the Los Angeles area. I have been a tax paying citizen of the Golden State since 1983, and 17 years ago this May I was sworn in as the 14th Director of General Services and unanimously confirmed by the California Senate almost one year later. My background at the time included extensive executive experience with two Fortune 50 companies and two telecommunication startups all covering a span of three decades. Many of my assignments in the private sector were of the "turnaround, fix it, fold it, or sell it" variety which helped prepare me for taking on the DGS Directors role. In addition, I had just finished reading *The Death of Common Sense* (Philip Howard) and *Managing in a Time of Great Change* by Peter Drucker which depicted real time problems and criticisms about how government on many levels fail to deliver their services, become bloated and ineffectual. Soon after taking over the department, I made these books available to my Executive Staff including all division deputies and office chiefs as a shortcut to understanding where I was coming from, what Governor Wilson and the Secretary of State & Consumer Services expected of me and the DGS, and began to implement a change to a customer focused results driven organization. This, from a DGS who's customers felt our motto was "what don't you understand about the word NO!"

In assembling my top staff, I was given latitude to hire private sector talent which I did with the help of the Governor's office. Specifically, I hired private sector expertise in the following disciplines: real estate, telecommunications, procurement, supply chain management, printing, Architecture. I was also fortunate to inherit a very capable Chief Counsel, Administrative Deputy Director and a very knowledgeable and well respected finance/legislative deputy that I appointed Chief Deputy or Chief Operating Officer in my corporate schematic. I then assembled my "A team" of Division Deputy Directors aka Corporate V.P.s with "bottom line" responsibility. We began to reinvent a DGS from a command/control bureaucracy to a professional customer focused/results driven and otherwise "bottom line" organization to best serve our sister agencies in a tax payer friendly manner.

On the attached sheet I have included our most notable accomplishments in all of DGS and those specific to RESD. Each is a separate story that encompasses division efforts to tailor separate organization models to become more efficient and effective, and asked to do it with the same or fewer numbers of people. If time allows we could spend a few minutes on one or two examples of what lessons were learned or hurdles we had to overcome. Otherwise, I prefer to continue with brief observations and answers to Ms. Barazoto's questions.

1. After reviewing the 25 October DGS testimony, I fail to see a consistency among all the agencies empowered to manage assets. Even if all of them follow the same exact guidelines as DGS, the possibilities for misinterpretation, nuance, and error are numerous. In the Federal GSA/PBS model the GSA is the sole manager of government buildings/land assets with the exception of those held by the military and the State Department to my knowledge. That does not preclude GSA as agent from acting at the military request to divest their property i.e. BRAC. I believe the Federal model would

better meet the state's asset management programs with the DGS as the major landlord with few exceptions.

2. Too many "cooks" spoil the "broth". A cacophony rather than a symphony.
3. Please pick any one of the examples of the RESD accomplishments and follow the template we developed. What happened with respect to the California court consolidation seems to have happened elsewhere over the last 13 years. Why?

THE GOLDEN AGE – 1995-1999 – DGS ACCOMPLISHMENTS

Real Estate

- Closing Warehouses
- Selling Agnews
- Forming RESD
- Oakland State Office Bldg.
- CAL EPA Bldg.
- Capitol Area Plan SB1270
- Asset Divestitures SB776?

Other

- * Who's the customer
- * What strategic plan
- * Private sector complement
- * Privatizing CAL-NET
- * Small business advisory
- * CMAS
- * State Police
- * SAM
- * The offsite (s)
- * "Family Squabbles"
- * "Finding Fault"

GSA/PBS Pacific Rim Accomplishments 2001-2009

- Brokered El Toro, Tustin, Oak Noll privatizations
- San Diego tear down/new courthouse
- Las Vegas Courthouse land acquisition
- Las Vegas Courthouse renovation
- Las Vegas IRS Ctr.
- Sacramento Courthouse
- Tuscon Courthouse restoration
- Hawaiian Courthouse retrofit
- Fresno Courthouse
- Bakersfield Courthouse
- "Pong Sona" restoration - Guam
- Arizona/California Border Stations