



June 26, 2020

Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
110 State Street, 15th Floor
Albany, NY 12236

Re: Audit Report- 2019-S-1, Issued 01/02/2020

Dear Comptroller DiNapoli,

Thank you for the opportunity to respond to the Office of the State Comptroller's ("OSC") above-referenced final audit report titled Efficiency of Warehouse Space. On behalf of the Office of General Services ("OGS") and pursuant to Executive Law § 170, I write to provide confirmatory information concerning OGS's responses to OSC's six recommendations detailed in the final audit report.

OGS agrees that agencies should be utilizing storage facilities in the most efficient manner possible which ensures these locations are properly sized, outfitted for storage, and only utilized for items that must be maintained.

OGS would like to clarify that the referenced materials for the NYS Gaming Commission occupied 1,357 square feet, not the 14,094 referenced in the report. In accordance with the original 2016 MOU that OGS signed with the NYS Gaming Commission, its total proportionate share of the facility is 30%, or 17,618 square feet. When referring to the stock wrapped in red shrink-wrap identifying it as non-deployable, that square footage was only 1,357 square feet; approximately 8% of the Gaming Commission's 17,618 square footage. The remaining 92% of the Gaming Commission's space was occupied by materials that were not on hold and continuously distributed.

Response to Recommendations:

OSC Recommendation (1): Identify all State warehouses – both leased and State owned – including those previously evaluated and those yet to be evaluated as part of the Initiative and maintain a comprehensive central listing.

OGS Response: While we generally agree with this recommendation, it is important to note that a "comprehensive central listing" of warehouse space did not exist prior to the Initiative and that not all State-owned warehouses are under the control of OGS. We will continue to work with agencies to obtain accurate and complete information on warehouse space, and

the centralized listing will improve as warehouse data is received and evaluations are conducted.

OSC Recommendation (2): Evaluate all State-owned and leased warehouses to optimize repurposing and cost-savings opportunities.

OGS Response: We agree with this recommendation. Optimizing warehouse space and identifying cost savings are the core purposes of the Initiative. The Warehouse & Storage Survey disseminated by the NYS Division of the Budget (DOB) showed that the State has 5.3 million square feet of warehouse and storage space eligible for review. As directed by DOB, OGS prioritized the evaluation of leased warehouse space over State-owned space, as demonstrated by the nearly \$1.7 million in savings already achieved, the reduction in leased warehouse space resulted in immediate savings.

OSC Recommendation (3): Improve internal communication between the REC and Support Services to efficiently and effectively meet the Initiative's goals.

OGS Response: We have fulfilled the recommendation and communication between REC and Support Services has substantially improved through regularly scheduled meetings.

OSC Recommendation (4): Collaborate with State agencies to perform cost-benefit analyses of items being considered for warehouse storage.

OGS Response: We agree with this recommendation. This function is ongoing and will continually progress during evaluations.

OSC Recommendation (5): Work with State agencies to efficiently utilize State warehouse space.

OGS Response: We agree with this recommendation. This function is ongoing and will continually progress through the remaining 4.8 million square feet.

OSC Recommendation (6): Retain forms used for reviewing and evaluating warehouses.

OGS Response: We have fulfilled this recommendation and all forms are now being maintained for future reference.

Sincerely,

Theresa Bonneau

Director of Internal Audit

(518) 402-5846

theresa.bonneau@ogs.ny.gov