



2007 Annual Report *ADR Advisory Council* *State of New Mexico*

Alternative Dispute Resolution Advisory Council December 1, 2007

INTRODUCTION

The New Mexico ADR Advisory Council was established pursuant to the Governmental Dispute Prevention and Resolution Act of 2007 (Chapter 12, Article 8A NMSA 1978). Its purpose is to:

- review information about the use of ADR, including referrals, and make recommendations to the Office of Alternative Dispute Prevention and Resolution to improve the effectiveness of ADR programs;
- develop strategies to encourage and expand the use of public facilitation in government operations;
- recommend to the Risk Management Division appropriate training standards and schedules for neutral parties and agency managers and supervisors;
- review and recommend standards and rules to the Risk Management Division to foster participation in ADR and minimize conflict in the discussion of issues under consideration by interested parties;
- present an annual report to the General Services Department, the Governor, and the Legislature by December 1st of each year on the use, cost and success of ADR programs.

The Council was convened by the General Services Department, Risk Management Director on November 29, 2007 and accordingly submits this Annual Report.

CONTENTS

- 1 Introduction**
- 2 Letter from Council Chair Mike Wilson**
- 3 Accomplishments: October 2006 through November 2007**
- 4 Initiatives and Challenges for FY08**
- 5 Appendix: NM OADPR FY08 Strategic Plan Summary**



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GOVERNOR

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STATE OF NEW MEXICO

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November 29, 2007

The Honorable Bill Richardson, Governor of New Mexico
The Honorable Ben D. Altamirano, President Pro Tem of the Senate
The Honorable Ben Lujan, Speaker of the House of Representatives
Members of the Legislature
State Capitol Building
Santa Fe, NM 87501

Secretary Arturo Jaramillo
General Services Department
John F. Sims Building
715 Alta Vista
Santa Fe, NM 87502-0110

Governor Richardson, Honorable Legislators, and GSD Secretary Arturo Jaramillo:

I am pleased to submit this report of the interagency Alternative Dispute Resolution Advisory Council for your review and consideration. The Governmental Dispute Prevention and Resolution Act of 2007 (Chapter 12, Article 8A NMSA 1978) establishes the Council and requires an annual report to you "by December 1 of each year on the use, cost and success of alternative dispute resolution programs." The statute also creates the Office of Alternative Dispute Prevention and Resolution as a bureau of GSD/RMD; its annual report and a summary of its strategic plan are incorporated into this document for your review as well.

This initiative seeks to establish alternative dispute resolution as a fundamental organizational best practice; its success will positively impact the long-term effectiveness and efficiency of state government in New Mexico. On behalf of the ADR Advisory Council, I would be happy to answer any questions you may have.

Sincerely,

Michael Wilson, AIC, CPCU, CPA
Chair, ADR Advisory Council

Director, Risk Management Division
General Services Department

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ACCOMPLISHMENTS: OCTOBER 2006 THROUGH NOVEMBER 2007

1. Amendment of ADR Statute:

The GSD drafted and was instrumental in the unanimous passage of Senate Bill 479, an amendment to the 2000 New Mexico Governmental Dispute Resolution Act. Features of the 2007 legislation:

- Amends Act's title to the "Governmental Dispute *Prevention* and Resolution Act"
- Mandates state agencies to provide access to ADR procedures on a broad scale
- Establishes a Cabinet-level ADR Advisory Council and duties
- Establishes an Office of Alternative Dispute Prevention and Resolution within GSD/RMD with an emphasis on loss prevention and control
- Creates a recurring appropriation of \$185,000 from the Public Liability Fund for the Office

(A copy of this statute is available online at:

<http://www.conwaygreene.com/nmsu/lpext.dll?f=templates&fn=main-hit-h.htm&2.0>)

2. Establishment of New Mexico Office of Alternative Dispute Prevention and Resolution

On July 1, 2007, the Office of Alternative Dispute Prevention and Resolution was created as a bureau-level unit within the Risk Management Division of the General Services Department. Office's key accomplishments in 2007:

- Develop staffing requirements and fill three FTE positions (Staff Manager/Bureau Chief, Training and Development Specialist, Management Analyst); Office is fully staffed as of October 1, 2007
- Draft and implement strategic plan to meet statutory requirements and GSD goals and policy initiatives (see Appendix for FY08 Strategic Plan Summary)
- Provide staff support to ADR Advisory Council

Mission Statement of the New Mexico Office of Alternative Dispute Prevention and Resolution:

The GSD/RMD Office of Alternative Dispute Prevention and Resolution seeks to promote early dispute resolution and positive collaboration among state employees and agencies through the development and support of effective and efficient programs and polices.

INITIATIVES AND CHALLENGES FOR FY08

For the remainder of FY08, the Office of Alternative Dispute Prevention and Resolution will focus on the following initiatives and anticipates the following challenges:

1. Conduct statewide outreach and marketing to promote ADR

- Establish and promote Office as a “one-stop-shop” ADR resource center
- Identify and schedule outreach activities (i.e., site visits, conferences, fairs)

Challenge: Conduct meaningful outreach to large number of diverse RMD-insured entities, especially with those demonstrating poorest performance in preventing and controlling insurable risk.

2. Comprehensive survey and assessment of state ADR systems

- Develop comprehensive ADR survey; administer to all RMD-insured entities
- Verify and analyze data to set baselines, conduct needs assessment, develop training plan, and select “best practices”
- Develop formal survey report and review findings with each agency

Challenge: Achieve full participation and response by RMD-insured entities.

3. Develop ADR participation incentives

- Identify cost-saving opportunities
- Offer no-cost training responsive to agency needs and reflective of agency goals
- Develop insurance premium incentives
- Recognize innovative and best practices
- Select and present best or improved ADR performance award

Challenge: Make incentives valuable and attractive enough to drive dedicated agency efforts.

These initiatives will increase the efficiency and effectiveness of state government by:

- Reducing insurable losses in state government
- Saving money and conserving state resources
- Delivering professional services responsive to customer needs
- Building collaborative relationships across state government

APPENDIX:

NEW MEXICO OFFICE OF ALTERNATIVE DISPUTE PREVENTION AND RESOLUTION FY08 STRATEGIC PLAN SUMMARY

GOAL 1: Establish and develop centralized state ADR Office

- Hire knowledgeable and skilled staff and formalize Office operations
- Create supportive relationships with ADR Advisory Council and peer organizations
- Establish formal evaluation and reporting system

GOAL 2: Conduct outreach, education, marketing and information exchange activities to strengthen network of ADR practices and progress in state government

- Collect and analyze information (statewide survey)
- Distribute information (brochure, publications, website, orientation and outreach functions, on-site meetings)
- Offer formal training

GOAL 3: Coordinate ADR program development in state agencies

- Organize, train and support ADR staff in agencies
- Provide on-site consultation and technical assistance
- Create newsletter or other formal publication for interdepartmental networking

GOAL 4: Standardize effective ADR processes in state government

- Establish Office as a “one-stop-shop” for ADR info and resources
- Establish “best practices,” benchmarks, certification standards, etc.
- Draft policies, procedures, model plans and templates
- Draft administrative rules, as necessary

GOAL 5: Develop incentives, recognition and rewards for using ADR

- Identify and promote savings opportunities and no-cost training
- Recognize innovative and best practices
- Develop RMD premium incentives
- Select recipient for formal award for best or improved performance in ADR