

T&E COMMITTEE #1
April 24, 2013
Worksession

MEMORANDUM

April 23, 2013

TO: Transportation, Infrastructure, Energy, and Environment Committee

FROM: Essie McGuire, Senior Legislative Analyst *Essie McGuire*

SUBJECT: **Worksession – FY14 Operating Budget, Department of General Services (Facilities)**

Today the Transportation, Infrastructure, Energy, and Environment (T&E) Committee will review the County Executive's recommended FY14 operating budget for the Department of General Services (DGS), Facilities. The following individuals are expected to attend the worksession:

- David Dise, Director, DGS
- Beryl Feinberg, Chief Operating Officer, DGS
- Angela Dizelos, Division Chief, Central Services, DGS
- Richard Jackson, Division Chief, Facilities Management, DGS
- Michael Harkness, Operations Chief, Facilities Management, DGS
- Erika Finn-Lopez, Office of Management and Budget

This review does not include the Office of Procurement or Fleet Management Services. This review will include several programs funded by the General Fund and that portion of DGS' budget that is funded by the Printing and Mail Internal Services Fund.

OVERVIEW

The Executive's recommended budget for DGS is \$34.7 million, an increase of \$1.5 million or 4.5 percent over the approved FY13 level. The Executive's recommended budget is attached at circles 1-9. The table below shows the FY11-14 levels of funding in the program areas included in this packet:

Program	FY11 Approved	FY12 Approved	FY13 Approved	FY14 CE Rec	Amount Diff FY14-FY13
Automation	521,800	511,270	511,270	601,258	89,988
Facilities Mgmt	17,967,330	15,885,600	19,036,848	20,353,427	1,316,579
Environmental Stewardship	91,210	8,960	8,960	101,441	92,481
Real Estate Program	925,610	910,570	931,728	991,975	60,247
Administration	1,808,250	1,402,800	1,508,526	1,163,838	-344,688
Printing and Mail Internal Svc Fund	6,507,340	8,184,150	8,503,416	8,340,516	-162,900

The table below shows the FY13 approved and FY14 recommended FTE for each program area.

Program	FY13 Approved	FY14 CE Rec
Automation	5.00	5.00
Facilities Mgmt	95.48	97.28
Environmental Stewardship	.30	1.00
Real Estate Program	7.00	7.00
Administration	14.40	13.00
Printing and Mail Internal Svc Fund	30.90	29.50

FY14 EXPENDITURE ISSUES

1. Consent Items

- The table below summarizes the **same service adjustments** to the DGS General Fund.

FY14 Compensation Adjustment	446,617
Motor Pool Adjustment	254,064
Personnel cost shift from Tech Mod	235,000
Increase in contractual costs	167,816
Retirement Adjustment	113,111
Substation Electrical Switchgear	70,000
Other Labor Contract Costs	30,466
Printing and Mail Adjustment	2,374
Group Insurance Adjustment	-20,567
Elimination of FY13 Lump Sum	-270,901
Annualize FY13 Personnel Costs	-402,168

- The **\$235,000 shift of personnel costs from the Technology Modernization** project back to DGS reflects the return of DGS personnel that were detailed to work on the Enterprise Resource Planning (ERP) project.

- The **Printing and Mail Internal Service Fund** reflects the ongoing consolidation of some printing functions with the Montgomery County Public Schools (MCPS) printshop. As positions become vacant at the Stonestreet Printshop, they are abolished. The FY14 recommendation abolishes one newly vacant position, with three County positions remaining.
- The reduction in **Administration** reflected in the budget table at the top of the previous page is largely due to technical adjustments and shifts of lapse and staffing rather than a position or service decrease.

2. Environmental Stewardship

The Environmental Stewardship program is intended to oversee the environmentally sensitive maintenance, construction, and operation of County facilities. While a position to lead and coordinate this effort was created in FY11, it was never filled due to budget constraints. **The Executive's recommendation includes \$92,481 to fill this position in FY14. DGS staff reports that the hiring process is underway to fill the position at the beginning of the fiscal year in July.**

In past Committee discussions of this function DGS reported accomplishing some of the position's intended duties through contract efforts and assigning some of the work to other department managers. DGS provided the following update information on the expected responsibilities of the position:

This leadership position is responsible for the oversight, coordination and management of the Environmental Stewardship Program (ESP). The position supplies staff functions and analysis for the Director, Department of General Services (DGS) on environmental, pollution prevention, energy consumption at County facilities. It is responsible for planning, developing, implementing, monitoring, managing and overseeing programmatic policies and strategies designed to inculcate sustainable policies and practices by County departments and contractors, and minimize the environmental impacts and energy usage of County operations.

This position is responsible for developing legislation, regulations, programs and policies that foster an open and collaborative process for decreasing energy consumption, and reducing the County's contribution to air, noise, water, and other sources of environmental impact in keeping with the County's commitment to lead by example. This position works directly with the County Attorney, Department Directors, Division Chiefs and executive level managers in County Government, contractors and other business operators to ensure best management practices are being used in County operations and facilities, and to ensure compliance with applicable Maryland and Federal regulations and policies.

Council staff concurs with the Executive's recommendation for this program area.

3. Facilities Management

The Division of Facilities Management is responsible for the maintenance and operations of County owned or leased facilities. This Division has experienced significant reductions in the recent difficult budget years, particularly in the areas of maintenance, repair, custodial, and grounds services. Most of these services are conducted through contracts.

For FY14, the Executive recommends an increase of \$500,000 for custodial and grounds services. This follows an FY13 increase of \$1 million for the same purpose. DGS staff reports that the FY13 increase funded additional custodial hours (approximately 820 per week) for designated high usage facilities, including Libraries, Recreation Centers, government centers, and daycare facilities. The FY13 funding also supports three building service inspectors to monitor service levels. Additional detail is provided on circles 10-11.

A portion (\$170,000) of the \$500,000 FY14 funding increase will be allocated to provide increased custodial services to facilities that did not receive it in FY13. DGS staff reports that this funding will support approximately 160 additional hours of cleaning per week. The remaining \$330,000 will provide grounds maintenance, additional mowing and debris removal per month for approximately 300 facilities.

The table below shows the approved funding level for the Division of Facilities Management from FY09 to the FY14 recommendation. While these figures include more than just the contractual custodial and maintenance funding, they do illustrate the overall funding experience in this division.

FY09 App	FY10 App	FY11 App	FY12 App	FY13 App	FY14 Rec
\$22,198,400	\$21,610,900	\$17,967,330	\$15,885,600	\$19,036,848	\$20,353,427

The budgets during this time period reflect significant decreases in the contractual services for maintenance and custodial services. For example, in FY10 there was an overall reduction of 6%, or \$1.4 million, in these services, as well as specific reductions totaling \$600,000. In FY11, there was another reduction of \$3.4 million in both specific and general maintenance contracts. Other than the FY13 increase of \$1 million described above, the only increases in this time period were associated with the opening of large facilities, such as the Edison Park Public Safety Headquarters, the Civic Building, and the Grey Courthouse.

Council staff supports the Executive's recommendation to continue to restore custodial, maintenance, and grounds services in County facilities. Council staff is also concerned that the level of these services remains too low to properly maintain facilities for public and employee use. The resulting FY14 budget would still be less under the Executive's recommendation than the FY09 approved level, even though the overall amount of County space that needs to be maintained has increased.

In Council staff's view, this is an important area for targeted restoration going forward. At this juncture, the Committee could consider adding funds to the reconciliation list in increments to purchase additional cleaning hours for County facilities. **It may also be useful going forward to understand better the cost and service level benchmarks and target goals**

for maintenance and custodial efforts. Council staff suggests that DGS return in the fall to update the Committee on the following issues:

- **Inventory:** Circle 12 states that DGS is in the process of quantifying the inventory of County owned, leased, and operated facilities. Council staff understands that DGS has varying levels of responsibilities for facilities maintenance and care of these different types of facilities. It will be important to clarify what facilities DGS is responsible to maintain, and to what degree.
- **Service levels:** DGS has necessarily had to prioritize its cleaning and maintenance service levels across departments according to available funding and facility use patterns. At Council staff's request, DGS provided the list on circle 11 of custodial services that are not supported by the current funding level. It will be important to understand the target level of service DGS envisions as necessary for the public and for employees as well as to protect and maintain County facility assets. These service benchmarks would be helpful in all areas, custodial, grounds keeping, and preventive maintenance.
- **Cost:** Once the inventory and service plans are developed, the County can get a better sense of what funding would be necessary to accomplish these goals. Understanding that very rarely can funding keep up with needed facility service levels, it will still be useful to know what steps can be taken to accomplish or make progress toward goals in various areas over time. It will also be important to compile what additional funds individual departments are allocating toward these efforts.

4. New facilities

The Executive's recommended budget includes a total increase of \$530,616 related to maintenance of new facilities opening in FY14. DGS provided the information below about the facilities, expected opening date, and square foot area (circle 11). Executive staff reports that the budget estimates \$2 per square foot for the maintenance of these new facilities.

New Facility	Net Area Sq Ft	Expected Occupancy
Gaithersburg Library	20,000	8/2013
Olney Library	4,260	8/2013
Animal Services and Adoption Center	34,365	9/2013
Wheaton Volunteer Rescue Squad	29,000	10/2013
3 rd District Police Station	14,226	10/2013
Travilah Fire Station #32	26,000	12/2013
Kensington Fire Station #25	12,000	1/2014
Judicial Center Annex	230,000	9/2013
Total	369,851	

As discussed earlier, while \$2 is the budget estimate for FY14, it does not appear to represent current expenditures on existing facility maintenance, nor does it necessarily represent an ideal or adequate maintenance budget. The Future Fiscal Impacts on circle 9 projects that just over \$1 million will be necessary in FY15 to annualize the new building maintenance. The FY14 recommendation includes one new position, a Building Service Worker, for the Judicial Center Annex. Council staff concurs with the Executive's recommendation for these new facilities in FY14.

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General Services

MISSION STATEMENT

The Department of General Services proactively serves the diverse business and service requirements of all County departments, providing a single point of government-to-government service, enabling departments to successfully complete their respective missions and, thereby, adding value to the services performed by Montgomery County to county residents. In so doing, the Department of General Services contributes directly towards the County Executive's objectives of "A Responsive and Accountable County Government", "Healthy and Sustainable Neighborhoods", and "A Strong and Vibrant Economy."

BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Department of General Services is \$34,723,067, an increase of \$1,493,528 or 4.5 percent from the FY13 Approved Budget of \$33,229,539. Personnel Costs comprise 46.3 percent of the budget for 249 full-time positions and four part-time positions. A total of 183.08 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses and Capital Outlay account for the remaining 53.7 percent of the FY14 budget.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Healthy and Sustainable Neighborhoods***
- ❖ ***Strong and Vibrant Economy***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***The Department of General Services received the 2012 Public Sector Chamber Partner of the Year award by the Montgomery County Chamber of Commerce (MCCC).***
- ❖ ***The Office of Procurement received the FY12 National Association of Counties Award (NACo) for the Workflow Management System as a no-cost re-engineering initiative that can be maintained in-house and reflects a responsive and accountable County government.***
- ❖ ***Continued implementation of an Electronic Records Management System to ensure that records are being managed in accordance with Federal, State, and County regulations. To date, six departments have completed a records inventory.***
- ❖ ***Increased redevelopment through support of multiple private sector projects, master plan and zoning revisions, and the creation of the \$66 million Wheaton redevelopment project.***
- ❖ ***Piloted the "Healthy Vending Machine Program" by installing the first healthy food vending machine in the Executive Office Building (EOB) to support the obesity prevention program.***
- ❖ ***Continued the paper reduction initiative by centralizing paper purchases.***



- ❖ **Increased the percentage of contract dollars awarded to Minority/Female/Disabled (MFD) at 19.33% and Local Small Business Reserve Programs (LBSRP) at 23.7% , even though the total value of contracts declined. Increased outreach and networking with vendors on both programs.**
- ❖ **Improved customer services rating according to County Stat's 2012 Internal Customer Survey.**
- ❖ **The Office of Procurement implemented several Contract Administrators forums to inform and train contract administrators on a variety of topics including Risk Management, Ethics, Contract Negotiation, Sustainable Purchasing and Procurements.**
- ❖ **Productivity Improvements**
 - **Piloted a project through an Energy Performance Contract to provide for facility improvements funded solely through energy savings.**
 - **The Office of Procurement designed a no-cost web-based workflow management system web-based solution that allows the Operations Sections to communicate and track contract lifecycle information using a customizable dashboard which displays various contract indicators.**
 - **The Transit Equipment Section (TES) within DFMS has been working to improve its on-time Preventive Maintenance (PM) performance. Due to various productivity enhancements, DFMS achieved the FTA required 80% on time mark.**

PROGRAM CONTACTS

Contact Angela Dizelos of the Department of General Services at 240.777.6028 or Erika Lopez-Finn of the Office of Management and Budget at 240.777.2771 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Office of Procurement

The mission of the Office of Procurement is to preserve the public trust and ensure the integrity of the public procurement process through the efficient, effective, and economical procurement of goods, services, and construction in accordance with nationally recognized best practices; resulting in the highest value for County government and its residents.

The core components of this program are to purchase goods, services, and construction required by County departments in the most timely and cost-effective manner possible. Program staff assists departments in the development of procurement strategies and documents to ensure a competitive, transparent, and fair procurement process in accordance with the County Code and the Procurement Regulations. Program staff also educates vendors about the County's procurement process and procedures.

Procurement staff also provides County departments with training, assistance and guidance of department contract administrators. Procurement works collaboratively with the Office of Business Relations and Compliance, the Office of Community Partnerships and other departments to build relationships with and provide training to local small and minority businesses and non-profit organizations interested in doing business with Montgomery County. Procurement Specialists develop contract administration procedures and research, review, and recommend revisions to County procurement policies and regulations to streamline the procurement process. In addition, testimony and other evidence regarding claims and contract disputes with contractors are reviewed to resolve issues.

Procurement staff participates with local, state, and national procurement buying associations to promote and teach continuing procurement education and learning credits; latest industry trends; latest source selection methods; and cooperative purchases. Also, staff participates and leads in recognized professional purchasing organizations at the local, state, and national levels.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Percent of Procurements Completed in Agreed Upon Time ¹	78.3	79.6	75.0	75.0	78.0

¹ These figures represent the average for the following: Invitation For Bid - 73%; Request For Proposals - 72%; and Construction: 90% for FY11, FY12 and FY13.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	2,322,982	27.30
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	461,096	-1.00
FY14 CE Recommended	2,784,078	26.30

Notes: Beginning in FY13 and throughout FY14, General Services is reorganizing its structure which impacts the Office of Business Relations and Compliance and Administration.

Office of Business Relations and Compliance

The mission of the Office of Business Relations and Compliance (OBRC) is to plan and implement programmatic strategies to expand business opportunities for Minority, Female and Disabled Persons business owners and Montgomery County small businesses. The office administers the County's Living and Prevailing Wage programs as well as the Domestic Partner Benefits Law for service and construction contracts. The OBRC is solely responsible for ensuring the socio-economic programs of the County are compliant with applicable laws.

- **Minority, Female and Disabled Persons (MFD):** The MFD program objectives focus on ensuring that contracts awarded by Montgomery County include equitable participation by certified minority, female, or disabled-owned businesses. In addition, the program identifies MFD firms; encourages and coordinates their participation in the procurement process through community outreach and internal seminars; and monitors contracts subject to MFD participation to ensure compliance.
- **Local Small Business Reserve Program (LSBRP):** The Local Small Business Reserve Program ensures that County departments award a minimum of 20 percent of total eligible contract dollars issued for goods, services or construction to registered local small businesses. The program certifies local small businesses that meet the requirements set by Bill 03-9, assists County departments to identify contracting opportunities and solicitations appropriate for LSBRP competition, and provides training and networking to help local small businesses compete with businesses of similar size and resources for County contracts strengthening in the local small business sector.
- **Living Wage:** The Living Wage Law program ensures that County contractors and subcontractors pay employees a "living wage" in compliance with the annually adjusted rate established by the Montgomery County Wage Requirements Law.
- **Prevailing Wage:** The Prevailing Wage program ensures that contractors and subcontractors performing construction services over \$500,000 pay prevailing wages, as established by the Maryland State Commissioner of Labor and Industry for the Montgomery County region.
- **Domestic Partner Benefits:** The Domestic Partner Benefits program ensures the County's contractors or subcontractors, as employers, provide the same benefits to an employee with a domestic partner as provided to an employee with a spouse.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Percent of Contract Dollars Awarded to Minority/Female/Disabled owned businesses	19.0	19.0	20.0	20.0	20.0
Value of County contracts awarded to local small businesses (\$000)	47,000,000	72,500,000	55,000,000	60,000,000	60,000,000

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	405,809	3.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-19,275	0.80
FY14 CE Recommended	386,534	4.00

Automation

The Automation Program provides staffing, material, and support to develop and maintain information systems in support of the Department's business operations. This includes purchase and maintenance of Information Technology (IT) equipment, service and support for major end use systems on a County-wide basis. IT management of applications, databases, systems, and department website design and maintenance is included in this program as well as coordination with the County Department of Technology Services.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	511,270	5.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	89,988	0.00
FY14 CE Recommended	601,258	5.00

Division of Facilities Management

The Division of Facilities Management's mission is to provide for the comprehensive planning and delivery of maintenance services and oversight of building-related operations at County facilities used by County staff and residents. Components of these programs are routine, preventive, correctional and conditional maintenance; housekeeping; grounds maintenance; recycling; building structure and envelope maintenance; electrical/mechanical systems operations and maintenance; small to mid-sized remodeling projects; snow removal, and damage repair from snow, wind, rain, and storm events; and customer service. The Energy Management Program provides technicians to monitor and maintain heating and cooling systems to ensure the most efficient use of these services. In addition, Facilities Management manages several comprehensive Capital Improvements Program (CIP) projects aimed at sustaining efficient and reliable facility operation to protect and extend the life of the County's investment in facilities and equipment.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Condition of Non-critical Building Systems and Aesthetics ¹	3,700,000	4,020,310	5,367,680	6,432,410	6,432,410
Hours Offline for Critical Building Systems ²	169	229.5	336	170	170

¹ This dollar figure represents the custodial and ground maintenance on all County properties. No cosmetic upgrades (painting, carpet, replacement, furniture/equipment replace) were completed in FY11 and FY12.

² FY13 includes 180 hours for hurricane Sandy

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	19,036,848	95.48
Enhance: Custodial Services and Grounds Maintenance for County Facilities	500,000	0.00
Enhance: Maintenance of Judicial Center Annex	345,000	1.00
Increase Cost: Motor Pool Adjustment	254,064	0.00
Increase Cost: Substation Electrical Switchgear	70,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	147,515	0.80
FY14 CE Recommended	20,353,427	97.28

Environmental Stewardship

This newly developed program focuses on maintaining Montgomery County's leadership in environmentally sensitive maintenance, construction, and operation of County facilities. In this role, the program will develop and oversee the energy and facility environmental programs; monitor new and renovated building systems to ensure proper functioning; obtain necessary permits where applicable and ensure compliance with the terms of the permits; perform building systems diagnostics to analyze failures and recommend and coordinate corrective measures implementation; conduct facility assessments of building conditions and retrofit buildings where appropriate, evaluate maintenance standards; and investigate indoor air quality complaints. This program also oversees the utilities management function and implements strategies to maximize cost savings and reduce energy use from utility deregulation throughout the County. In addition this program provides and coordinates the required maintenance of the County's Stormwater Management facilities.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Environmental Stewardship: Carbon Footprint of Montgomery County Government (in metric ton carbon dioxide equivalents)	139,689	151,615	148,754	148,746	148,746

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	8,960	0.30
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	92,481	0.70
FY14 CE Recommended	101,441	1.00

Central Duplicating, Imaging, Archiving & Mail Svcs.

This program provides timely and efficient document management through: high-speed photocopying service to all County agencies; desktop and electronic publishing; high-speed color copying; bindery; digital imaging; and electronic and physical archiving of County records. This program also serves as point of contact for County printing material produced and completed by Montgomery County Public Schools (MCPS). A print shop consolidation took effect in FY00 in which all County offset printing is

provided by MCPS. This program also provides for the daily receipt, sorting, and distribution of mail deliveries from the U.S. Postal Service and inter-office mail to County agencies.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	8,503,416	30.90
Decrease Cost: Abolish Printing Tech Position at Stonestreet Print Shop	-56,185	-1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-106,715	-0.40
FY14 CE Recommended	8,340,516	29.50

Notes: Central Duplication is undergoing restructuring in response to the Paper Reduction Initiative.

Real Estate Program

This program provides for leasing, site acquisition/disposition, space management and site evaluation. The leasing function recommends, plans, coordinates, implements, and administers the leasing of real property for both revenue and expense leases, including closed school facilities at the best economic and operational value to the County. Site acquisition/disposition is the purchase of property for County use and disposition is the sale or lease of surplus property. The space management function provides for the efficient and aesthetic utilization of space in County-owned and leased facilities. The site evaluation function provides technical support to site evaluation committees for Capital Improvements Program (CIP) projects.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
County Rent vs. Average Market Rent for Leased Space ¹	22.18	19.52	20.20	20.91	21.64

¹ In FY11 the Market Rent for space was \$29.26, per square foot. The savings on the rent paid by the County versus the Average Market Rent for leased space is \$7.08, per square foot. FY14 and FY15 include 3.5% increase.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	931,728	7.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	60,247	0.00
FY14 CE Recommended	991,975	7.00

Building Design and Construction

This program provides for the overall management of the Department's facility Capital Improvements Program (CIP). This program includes the comprehensive, timely, economic and environmentally efficient planning, designing and construction of buildings for County use as well as public venues owned by the County. This program also provides comprehensive architectural and engineering services from planning through design. Functional elements include programming, contract administration, planning management, design management, and project management. The planning, design, and construction of facilities is accomplished in accordance with LEED Silver standards as required by County regulation, and following best practices in project design and construction estimating, and the timely delivery of facilities based on project schedules developed for and published in the County CIP. This program is fully charged to the CIP.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Percent of Projects Meeting Initial Design and Construction Costs	84	87	93	93	93
Percent of Projects Meeting Initial Design and Construction Timeline ¹	53	68	74	76	78

¹ taking average of design and construction

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	0	0.00
FY14 CE Recommended	0	0.00

Notes: This program is funded through the Capital Improvements Program budget, not the operating budget.

Administration

Administration services in the Department are provided in three key areas:

- The Director's Office provides overall leadership for the Department, including policy development, planning, accountability, service integration, customer service, the formation of partnerships and the oversight of socio-economic programs which include the Business Relations and Compliance Program. The Director's Office also handles administration of the day-to-day operations of the Department, including direct service delivery, operating and capital budget preparation and administration, training, contract management logistics, and facilities support and human resources.
- The County Executive's Strategic Growth Initiative and other key strategic capital initiatives are also directed through the

Office of Planning and Development in the Director's office.

- The Division of Central Services provides oversight and direction of the preparation and monitoring of the Operating and Capital Improvements Program (CIP) budgets for the department; fuel management; payment processing; Invitations for Bid (IFB), Requests for Proposal (RFP) and contracts; inventory and facility management; the management and administration of computer and office automation activities; oversight of all personnel activities of the Department of General Services; Strategic Planning for the Director; and oversight and management for increasing access to County facilities for residents and employees with disabilities.

Program Performance Measures	Actual FY11	Actual FY12	Estimated FY13	Target FY14	Target FY15
Customer Service: DGS Function Average ¹	2.78	2.85	2.87	2.90	3.00

¹ Represents an average of Building Services, Capital Development Needs, Fleet Services, Leased Space Needs, Print/Mail/Archives Services, and Procurement Services average ratings. (Scale: 1 to 4, 1 = poor, 4 = good).

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	1,508,526	14.40
Increase Cost: Printing and Mail Adjustment	2,374	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-347,062	-1.40
FY14 CE Recommended	1,163,838	13.00

Notes: Beginning in FY13 and throughout FY14, General Services is reorganizing its structure which impacts Office of Business Relations and Compliance and Administration.

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	10,001,066	9,747,362	10,030,412	9,884,346	1.4%
Employee Benefits	3,692,597	3,870,881	3,995,669	3,901,345	0.8%
County General Fund Personnel Costs	13,693,663	13,618,243	14,026,081	13,785,691	1.2%
Operating Expenses	13,838,281	11,107,880	11,939,575	12,596,860	13.4%
Debt Service Other	25	0	0	0	—
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	27,531,969	24,726,123	25,965,656	26,382,551	6.7%
PERSONNEL					
Full-Time	211	216	216	220	1.9%
Part-Time	6	6	6	3	-50.0%
FTEs	148.30	152.68	152.68	153.58	0.6%
REVENUES					
Clerk of the Court Business Licenses	-25	0	0	0	—
Miscellaneous Revenues	928,816	100,420	100,420	100,420	—
Other Charges/Fees	-2,177	13,040	13,040	13,040	—
County General Fund Revenues	926,614	113,460	113,460	113,460	—
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	646	0	0	0	—
Employee Benefits	99	0	0	0	—
Grant Fund MCG Personnel Costs	745	0	0	0	—
Operating Expenses	0	0	0	0	—
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	745	0	0	0	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal Grants	745	0	0	0	—
Grant Fund MCG Revenues	745	0	0	0	—
PRINTING AND MAIL INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	1,567,919	1,791,208	1,635,116	1,614,862	-9.8%
Employee Benefits	622,801	702,648	646,068	693,398	-1.3%
Printing and Mail Internal Service Fund Personnel Costs	2,190,720	2,493,856	2,281,184	2,308,260	-7.4%
Operating Expenses	5,505,990	5,691,720	5,853,870	5,546,876	-2.5%
Debt Service Other	79,408	0	0	0	—
Capital Outlay	0	317,840	0	485,380	52.7%
Printing and Mail Internal Service Fund Expenditures	7,776,118	8,503,416	8,135,054	8,340,516	-1.9%
PERSONNEL					
Full-Time	29	30	30	29	-3.3%
Part-Time	1	1	1	1	—
FTEs	29.80	30.90	30.90	29.50	-4.5%
REVENUES					
Imaging/Archiving Revenues	1,254,206	0	0	0	—
Investment Income	0	2,490	0	0	—
Mail Revenues	1,725,330	2,345,690	2,345,690	2,325,815	-0.8%
Miscellaneous Revenues	2,633	0	0	0	—
Print Revenues	3,314,430	3,187,805	3,187,805	3,413,156	7.1%
Other Charges/Fees	0	2,683,080	2,683,080	2,772,905	3.3%
Printing and Mail Internal Service Fund Revenues	6,296,599	8,219,065	8,216,575	8,511,876	3.6%
DEPARTMENT TOTALS					
Total Expenditures	35,308,832	33,229,539	34,100,710	34,723,067	4.5%
Total Full-Time Positions	240	246	246	249	1.2%
Total Part-Time Positions	7	7	7	4	-42.9%
Total FTEs	178.10	183.58	183.58	183.08	-0.3%
Total Revenues	7,223,958	8,332,525	8,330,035	8,625,336	3.5%

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY13 ORIGINAL APPROPRIATION	24,726,123	152.68
<u>Changes (with service impacts)</u>		
Enhance: Custodial Services and Grounds Maintenance for County Facilities [Division of Facilities Management]	500,000	0.00
Enhance: Maintenance of Judicial Center Annex [Division of Facilities Management]	345,000	1.00
Enhance: Maintenance of new facilities opening in FY14	185,616	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY14 Compensation Adjustment	446,617	0.00
Increase Cost: Motor Pool Adjustment [Division of Facilities Management]	254,064	0.00
Replace: Personnel Costs Previously Funded Through the Tech Mod Project	235,000	0.00
Increase Cost: Increase in Contractual Costs due to CPI	167,816	0.00
Increase Cost: Retirement Adjustment	113,111	0.00
Increase Cost: Substation Electrical Switchgear [Division of Facilities Management]	70,000	0.00
Increase Cost: Other Labor Contract Costs	30,466	0.00
Increase Cost: Printing and Mail Adjustment [Administration]	2,374	0.00
Technical Adj: FTE Adjustment due to Rounding	0	-0.10
Decrease Cost: Group Insurance Adjustment	-20,567	0.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-270,901	0.00
Increase Cost: Annualization of FY13 Personnel Costs	-402,168	0.00
FY14 RECOMMENDED:	26,382,551	153.58
PRINTING AND MAIL INTERNAL SERVICE FUND		
FY13 ORIGINAL APPROPRIATION	8,503,416	30.90
<u>Changes (with service impacts)</u>		
Add: Replacement of Printing, Mail, and Imaging Equipment per Schedule	167,540	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY14 Compensation Adjustment	60,315	0.00
Increase Cost: Group Insurance Adjustment	32,843	0.00
Increase Cost: Retirement Adjustment	21,976	0.00
Increase Cost: Other Labor Contract Costs	4,123	0.00
Technical Adj: Technical Adjustment to align BASIS and Hyperion	0	-0.40
Decrease Cost: Motor Pool Adjustment	-1,614	0.00
Decrease Cost: Printing and Mail Adjustment	-9,190	0.00
Decrease Cost: Retiree Health Insurance Pre-Funding	-36,040	0.00
Decrease Cost: Abolish Printing Tech Position at Stonestreet Print Shop [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-56,185	-1.00
Decrease Cost: Elimination of FY13 \$2,000 Lump Sum	-56,193	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13	-98,000	0.00
Increase Cost: Annualization of FY13 Personnel Costs	-192,475	0.00
FY14 RECOMMENDED:	8,340,516	29.50

PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Office of Procurement	2,322,982	27.30	2,784,078	26.30
Office of Business Relations and Compliance	405,809	3.20	386,534	4.00
Automation	511,270	5.00	601,258	5.00
Division of Facilities Management	19,036,848	95.48	20,353,427	97.28
Environmental Stewardship	8,960	0.30	101,441	1.00
Central Duplicating, Imaging, Archiving & Mail Svcs.	8,503,416	30.90	8,340,516	29.50
Real Estate Program	931,728	7.00	991,975	7.00
Building Design and Construction	0	0.00	0	0.00
Administration	1,508,526	14.40	1,163,838	13.00
Total	33,229,539	183.58	34,723,067	183.08

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY13		FY14	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	7,325,175	57.92	7,265,605	56.90
Fleet Management Services	Motor Pool Internal Service Fund	625,496	3.80	555,313	3.80
Liquor Control	Liquor Control	344,032	0.50	344,032	1.20
Parking District Services	Bethesda Parking District	5,010	0.10	5,268	0.05
Parking District Services	Silver Spring Parking District	5,010	0.10	5,269	0.05
Solid Waste Services	Solid Waste Disposal	0	0.00	97,670	0.60
Transit Services	Mass Transit	10,020	0.10	91,026	0.80
Utilities	County General Fund	195,060	0.00	195,060	0.00
Total		8,509,803	62.52	8,559,243	63.40

FUTURE FISCAL IMPACTS

Title	CE REC.		(\$000's)			
	FY14	FY15	FY16	FY17	FY18	FY19
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY14 Recommended	26,383	26,383	26,383	26,383	26,383	26,383
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	595	747	747	747	747
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	-1	-22	-22	-22	-22
These figures represent other negotiated items included in the labor agreements.						
Annualization of New Building Maintenance	0	1,008	1,008	1,008	1,008	1,008
Subtotal Expenditures	26,383	27,985	28,116	28,116	28,116	28,116
PRINTING AND MAIL INTERNAL SERVICE FUND						
Expenditures						
FY14 Recommended	8,341	8,341	8,341	8,341	8,341	8,341
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	80	99	99	99	99
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Labor Contracts - Other	0	0	-3	-3	-3	-3
These figures represent other negotiated items included in the labor agreements.						
Master Lease Payments	0	0	-320	-320	-320	-320
Portions of the Master Leases will expire in the outyears reducing the cost until they all expire in FY16.						
Replacement of Printing, Mail, and Imaging Equipment per Schedule	0	-273	-351	-140	-40	0
Reflects projected need for capital outlay replacement on an annual basis.						
Retiree Health Insurance Pre-Funding	0	-6	-13	-20	-28	-40
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.						
Subtotal Expenditures	8,341	8,141	7,752	7,957	8,049	8,077

**FY14 CE Recommended Budget
Responses to Council Questions
General Fund
4/23/2013**

- 1. In FY13, the Council approved a \$1 million increase for facility maintenance; the FY14 recommendation adds \$500,000 for custodial and grounds maintenance also. Please describe how the FY13 increase was allocated, what additional level of work was supported with this increase in FY13, and how the FY14 increase will be allocated and what additional level of work is anticipated to be supported with this increased funding. Please also describe what cleaning activities are not supported by the total recommended funding level.**

FY13 \$1 million dollar increase funded:

- Additional custodial hours for high usage facilities

Libraries, Recreation, Government Centers, Daycare facilities were designated as facilities with high demand for daily public usage during core business hours. Custodial hours (820 weekly) were assigned to maintain their facilities daily. Increased cleaning services during core business hours in high use areas (i.e., restrooms, lobbies, waiting rooms).

- Inspect building services to ensure service levels are being completed

Three Building Inspectors hired in February 2013 to inspect building services on County facilities, i.e., custodial, grounds and building maintenance. Daily inspections and customer contact is required to ensure vendor services and operational requirements of our facilities are being met.

FY14 \$500,000 proposed increase

- Grounds maintenance enhancements

FY14 \$330,000 provides (1) additional mowing schedule and debris removal per month for roughly 300 properties. Increase provides each site a scheduled (2) mowing and debris removal per month.

- Custodial Services

FY14 \$170,000 to provide additional custodial maintenance in facilities not increased in FY13 (public safety facilities, day cares). Funding would provide for approximately 160 additional hours of cleaning per week.

Services not supported by the current total recommended funding level

- Detailed cleaning on buildings, i.e., furniture, blinds, desk top, ledges, horizontal and vertical surfaces including elevators, etc.
- Spray/buff of hard floors
- Annual floor restoration, i.e., stripping/waxing hard floors
- Annual floor restoration, i.e., carpet extraction and shampoo
- Bi-annual machine scrubbing of shower room floors and deep cleaning of shower walls
- Annual window washing interior/exterior
- Annual high dusting (over 16 feet) requiring vertical cleaning
- Annual surface cleaning, i.e., washing vertical structure, spot removal, etc.
- Custodial weekend coverage on buildings used to support special events

2. **Please detail the assumptions behind the \$345,000 increase in maintenance due to the Judicial Center Annex. Please include the cost of the position, what type of position is being added and its responsibilities, as well as a description of how the remaining cost was estimated. When is the Annex scheduled to open?**

The Annex is scheduled to open 9/1/2013. The \$345,000 is based on 230,000 square feet x \$2 per square foot. The position is a Building Service Worker, grade 8, estimated at \$43,500 with benefits. FY14 costs for ¼ of the year are \$10,880. The remaining amount is for contractor maintenance and supplies.

3. **What other new facilities are being opened in FY14, and how is additional maintenance budget estimated for new facilities?**

	Net Area Square Feet	Expected Occupancy	FY14 PrRt Factor	FY14 Change @ \$2/sq ft
Gaithersburg Library	20,000	8/8/2013	0.8333	\$ 33,333
Olney Library Renovation and Addition- Construction	4,260	8/21/2013	0.8333	\$ 7,100
Animal Services and Adoption Center	34,365	9/6/2013	0.7500	\$ 51,548
Wheaton Volunteer Rescue Squad,	29,000	10/1/2013	0.6667	\$ 38,667
3rd District Police Station	14,226	10/26/2013	0.6667	\$ 18,968
Travilah Fire Station #32	26,000	12/11/2013	0.5000	\$ 26,000
Kensington Fire Station # 25 Additions	12,000	1/12/2014	0.4167	\$ 10,000
Judicial Center Annex	230,000	9/1/2013	0.7500	\$ 345,000
SubTotal	<u>369,851</u>			<u>\$ 530,616</u>

4. What is the total number of square feet required to be maintained? Please provide, if possible, the square feet for each year fiscal years 10-14.

DGS is in the process of quantifying the inventory of County owned and/or operated facilities. The table below reflects our current inventory of facilities as of April 15th. DGS maintains the majority of these buildings.

Category	Number of Buildings	Building Square Footage
Buildings		
Owned by MCG	147	5,679,400
Leased – MCG as Tenant	99	1,567,479
Leased to Others - MCG as Landlord	109	2,345,761
County Interest	59	406,748

Prior to February 2013 no official inventory on file with DFM on square footage.

5. Please list the vacant positions (number and type) in the Division of Facilities Management.

Property Manager, Grade 24 – 1 position
HVAC Mechanic II, Grade 19 - 3 positions
HVAC Mechanic I, Grade 18 – 1 position
Electrician II, Grade 19 – 1 position (pending final decision of offer)
Electrician I, Grade 18 – 4 positions
Plumber II, Grade 19 – 1 position
Office Services Coordinator, Grade 16 – 1 position
Public Services Craftworker, Grade 15 – 2 positions
Building Service Workers II, Grade 8 – 4 positions

Note: DGS' annual budgeted lapse assumption is \$818,130

6. What is the projected overtime expenditure for DGS general fund in FY13? Year to date?

Year-to-date Overtime is \$346,930. It is difficult to project OT for the year. DGS does not budget for Overtime but incurs it to respond to unanticipated incidents and emergencies such as snow, facility power outages, HVAC and plumbing emergencies, elevator emergencies.

7. How many County positions remain at the MCPS Stonestreet Printshop?

We currently have four positions – the one vacant position is recommended for abolishment in FY14 leaving three remaining positions.

8. How many interns has DGS worked with under Project Search this year? Are any anticipated for the coming year? Please briefly describe the work areas the interns have been involved in.

2 interns working in Fleet in our parts operations;
1 intern working in the Records Center helping with shredding;
2 interns supported our Real Estate section during the first two rotations doing envelope stuffing, labels, printing invoices, typing lists, mail distribution and copier room tidying.

We plan to continue supporting the Project Search program.

9. What does the Environmental Stewardship position do? Has it ever been filled?

This leadership position is responsible for the oversight, coordination and management of the Environmental Stewardship Program (ESP). The position supplies staff functions and analysis for the Director, Department of General Services (DGS) on environmental, pollution prevention, energy consumption at County facilities. It is responsible for planning, developing, implementing, monitoring, managing and overseeing programmatic policies and strategies designed to inculcate sustainable policies and practices by County departments and contractors, and minimize the environmental impacts and energy usage of County operations.

This position is responsible for developing legislation, regulations, programs and policies that foster an open and collaborative process for decreasing energy consumption, and reducing the County's contribution to air, noise, water, and other sources of environmental impact in keeping with the County's commitment to lead by example. This position works directly with the County Attorney, Department Directors, Division Chiefs and executive level managers in County Government, contractors and other business operators to ensure best management practices are being used in County operations and facilities, and to ensure compliance with applicable Maryland and Federal regulations and policies.

The position was newly created in FY11 but lapse in FY12 to meet budget reductions targets. We are currently in the process of recruiting for the position. It has never been filled.

10. Please explain the \$235,000 shift from the Tech Mod Project.

This is the amount for two positions that were supporting the ERP project in FY13 but are returning to the DGS General Fund budget.

- 11. Please explain the -\$882,980 reduction in FY12 for Architectural and Engineering Services in Facilities. What does this mean for Facilities operations? Were there other significant reductions in FY12 for Facilities per the chart?**

This reductions eliminated all A&E design services for projects such as HVAC or modifications which fall within the purview of the PSP. The department now only has funding for A&E services related to CIP efforts.

The other significant reduction in the FY12 Facilities budget is -\$358,000 related to the delay in occupancy of the PSHQ building.

- 12. What is included in the -\$347,062, -1.4 FTE FY14 reduction in the Administration Program?**

The FTE change reflects a technical adjustment to align Hyperion with actual staffing levels across the Administration Program and Facilities. The compensation reduction includes lapse savings of -\$320,000 loaded in this program.