

MEMORANDUM

April 9, 2009

TO: Transportation, Infrastructure, Energy, & Environment Committee
FROM: ^{CHP} Charles H. Sherer, Legislative Analyst
SUBJECT: Department of General Services in the FY10 Operating Budget (section 31),
selected programs

The following may attend:

David Dise, Director, DGS
Alex Espinosa, OMB Manager
Adam Damin, OMB Analyst
Harold Adams, DGS

Relevant pages from the operating budget are attached starting at ©1. These pages provide a description of each program. This review covers all programs in this new Department **except** Procurement and Fleet Management Services. The following tables summarize the budget for the seven programs being reviewed in this memorandum, showing the budget for the current year, the Executive's recommended budget for next year, the amount of change and the % change:

I. Expenditures

Program	FY09 Approved	FY10 CE	\$ change	% change
Administration	2,013,480	1,722,270	(291,210)	-14.5%
Automation	370,900	521,010	150,110	40.5%
Building Design and Construction	149,130	0	(149,130)	-100.0%
Central Duplicating, Imaging, Archiving, and Mail Services	6,583,470	6,528,490	(54,980)	-0.8%
Environmental Stewardship	0	188,310	188,310	NA
Facilities Management Division	22,198,400	21,772,780	(425,620)	-1.9%
Real Estate Program	906,490	923,420	16,930	1.9%

II. Workyears

Program	FY09 Approved	FY10 CE	# change	% change
Administration	13.3	13.1	(0.2)	-1.5%
Automation	3.0	4.0	1.0	33.3%
Building Design and Construction	0.5	0.0	(0.5)	-100.0%
Central Duplicating, Imaging, Archiving, and Mail Services	31.0	31.4	0.4	1.3%
Environmental Stewardship	0.0	2.1	2.1	NA
Facilities Management Division	110.0	109.1	(0.9)	-0.8%
Real Estate Program	7.0	7.0	0.0	0.0%

Changes from FY09-10 The changes are summarized on ©8 and the major non-compensation changes are explained below. As can be seen, no positions are being abolished. On March 31, 2009, there were 16 vacancies in the Department, of which 6 are advertised.

Increase \$1.6 million for the cost of maintaining the General Electric facility. Linda McMillan provided the following description and explanation of this item.

“The County Executive is proposing that the Council approved a capital lease/purchase agreement for the GE Tech Park building (also referred to as the old National Geographic Headquarters). The programs that are expected to be relocated to this building are:

- Police Headquarters
- Police 1st District Police Station
- Police Background Investigations
- Police Special Operations Division
- Police Internal Affairs
- Police Fraud, False Alarm, Pawn, and Traffic Units
- Public Safety 2000 (radio/data) Training Center (police and fire/rescue)
- Fire and Rescue Headquarters
- Fire and Rescue Service Bomb Squad and Self Contained Breathing Apparatus Unit
- Fire and Rescue Internal Affairs
- Department of Correction and Rehabilitation Headquarters
- Department of General Services Procurement, Real Estate Management, Building Management
- Department of Transportation - Parking Lot Division

“On March 26, 2009, Executive staff provided the Public Safety and T&E Committees (which are reviewing the Property Use Study/Smart Growth Initiative) with information showing that in FY10, lease costs are proposed to be \$1.136 million, maintenance and operating expenses \$1.836 million, and utilities \$979,200. There are offsetting savings from lease terminations of \$1.294 million. **Due to an oversight, the Executive’s FY10 lease budget was not, but should be, reduced by \$158,000, the difference between the increase and decrease.**

Because the lease savings from the programs to be relocated are greater than the new lease cost in FY10 no new additional monies are requested in the lease NDA. The net new amount needed for FY10 is \$2.6 million. The County Executive has included the following in his FY10 Recommended Operating Budget:

Maintenance, in DGS Budget for maintenance of facility	\$1,600,000
Electricity	749,110
Natural Gas	158,920
Water and Sewer	84,390
Fuel Oil	7,520
Propane	60
Total	\$2,600,000

“The Council introduced the Executive’s supplemental appropriation and CIP amendment for lease/purchase and renovation of the GE Tech Park Building. A public hearing will be held on April 21. The Public Safety and T&E Committee worksession will be scheduled after the public hearing.” A date for action has not yet been scheduled.

If the Council approves the lease/purchase, then the above appropriations will be required. If the Council disapproves the lease/purchase, then the above appropriations will NOT be required. If the Council has not made its decision by May 21, then the FY10 appropriation should be reduced by the above amount, and that amount should instead be put in designated reserve. If the FY10 lease budget had been reduced by \$158,000 for the savings from relocation programs, then this amount would have to be restored.

Increase \$430,000 for the cost of maintaining new facilities that were completed in the CIP and will open in FY10. The list is on ©11. The Executive's budget included \$31,730 to maintain the Silver Spring Civic Center. However, the Center will not be completed until late in FY10 and no maintenance will be needed until FY11. **Therefore, the Executive's budget will be reduced by \$31,730.** The increase for maintaining new facilities will be \$398,300.

At the Council lunch meeting on March 24, Mr. Leventhal suggested that the fiscal situation might force the Council to consider the need to close temporarily some facilities that are already open. Another option is to delay the opening of new facilities that have not yet opened. The savings would include this amount for maintenance, some utility expense, and personnel costs for positions that would not be needed. After reviewing the list of new facilities, the only possibilities appear to be the two recreation facilities.

Increase \$166,000 for the cost of a position shifted from the Fleet Management internal service fund to the Director's office in the General Fund, reflecting the Director's assessment of where the position would be most useful.

Increase \$144,000 for the replacement of printing, mail, and imaging equipment in accordance with a schedule. Department staff explained that "Central Duplicating has a regular schedule for equipment maintenance. The cost varies each year depending upon the cost of equipment to be replaced. The budget for FY09 is \$362K. In FY10, two digital presses that are nearing the end of their useful life, must be replaced because Xerox will no longer service them. Following these replacements, the projection is that replacement needs will decline for the next couple of years."

Decrease \$122,000 for the cost of various supplies, reflecting lower prices and reduced use.

Decrease \$142,000 by shifting all remaining costs in the Division of Building Design and Construction to the capital budget. As shown on ©9, a total of 47.1 workyears and \$5.7 million will be charged to the CIP.

Decrease \$235,000 by reducing miscellaneous maintenance operating expenses. Department staff explained that "These funds came from Miscellaneous Operating Expenses. Historically, these funds were largely used by facilities mechanics to buy hardware supplies 'on the road' doing work in various County facilities. These are mostly small purchases of supplies and parts that it would be impractical and inefficient to return to the Seven Locks shop to pick up."

Decrease \$246,000 by assuming more lapse in FY10 than in FY09. Vacant positions will have to remain vacant longer to achieve additional savings.

Decrease \$442,000 by assuming efficiencies in Administration from digitizing the work processes. Department staff explained that “Savings will come in form of paper, toner, copier use, paper storage, filing space (cabinets and floor space for them) and general administrative costs. The documents to be digitized include contracts, vendor information including invoices, and construction documents which now take up large expanses of storage space. These documents will be more efficiently retrieved online and save much ‘search time’ looking for paper documents. Some personnel costs savings will also occur, but these will be shifted to use “in-house” resources as a partial offset to some of the contractual service reductions cited below; thereby, minimizing service impacts.”

Decrease \$1.4 million by assuming that the cost of the various service contracts for maintaining County facilities can be reduced 11.2% without reducing the level of service. This seems reasonable due to the fact that the economic recession has reduced the demand for such services and the contractors must reduce their prices to attract customers. Department staff explained that “We will accomplish these savings while minimizing impact on services by performing services such as cleaning, emptying trash cans and hauling trash on an “as needed” basis instead of a scheduled basis, e.g. twice per week.”

Other reductions? Are all County facilities maintained at the same level? How much savings would there be if the level of maintenance of the best maintained facilities were reduced to the average? Department staff explained that “Libraries and Recreation Centers, the facilities most heavily used by the public, receive a higher standard of maintenance. Similarly, Strathmore Concert Hall and Blackrock Center are maintained at a higher level than office buildings. These services [and perhaps at other facilities as well] could be cut back if Council so desires.”

Other issues

Deferred maintenance The Department defines deferred maintenance as “Items that are currently physically or operationally defective and have not been scheduled for corrective action due to lack of resources.” In prior years, facilities staff highlighted their needs for repairs and maintenance, which have been significantly underfunded. The Committee has expressed its concern that spending on maintenance is too low. Some maintenance needs will be fixed in the operating budget and most in the capital budget. Estimated deferred maintenance continues to increase: \$25.5 million in FY07, \$27.9 million in FY08, \$30.4 million in FY09, and \$32.8 million in FY10. The County has received some complaints that County buildings are not maintained at the same level the County requires for non-County buildings.

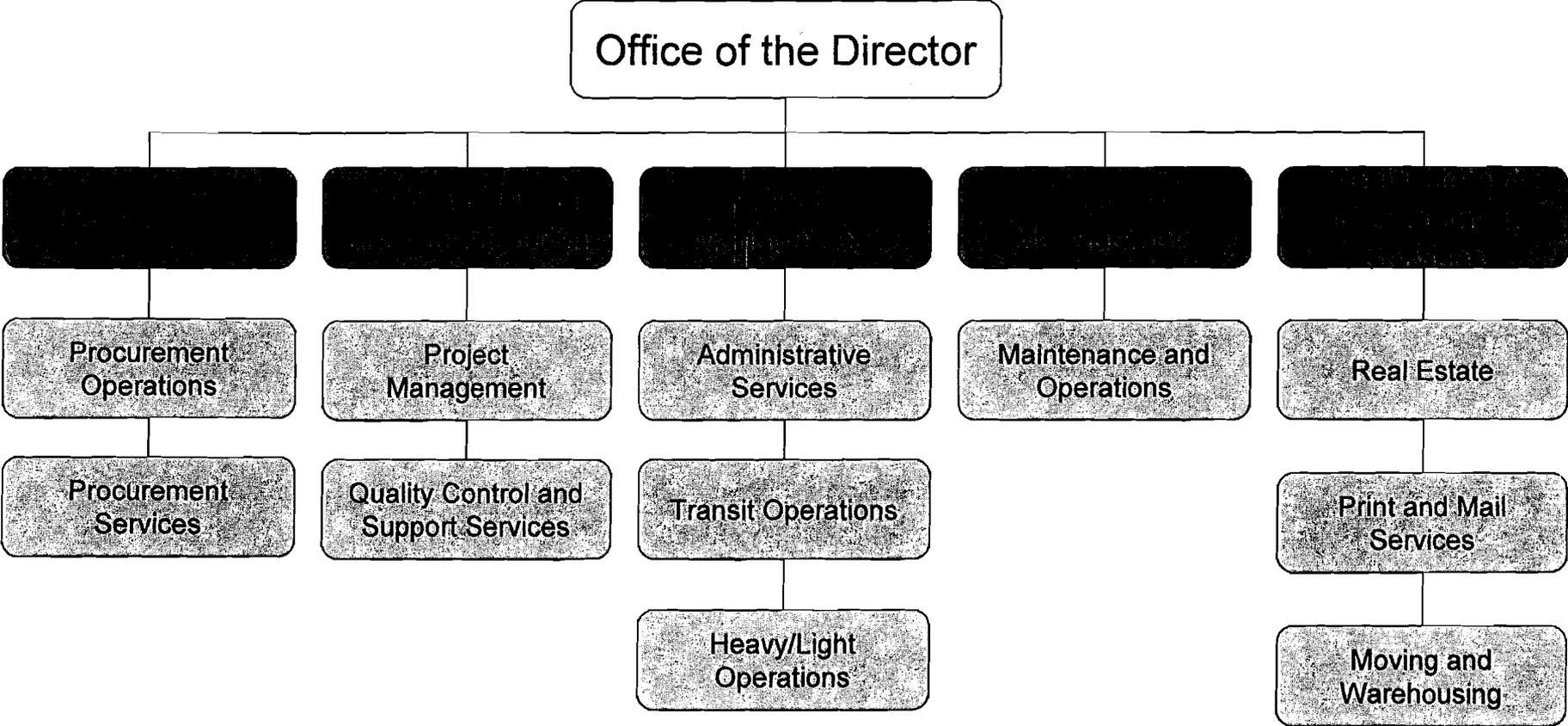
Grounds maintenance The Department notes that the limited budget allows them to mow only 10 times per year and to prune trees and shrubs only once. They do not mulch, aerate, seed, or edge.

Window cleaning is not funded. The cost to clean windows in all County facilities once a year is \$112,500.

Carpet repair and cleaning is not funded and will only be done when carpets suffer a spill or similar staining or when carpets become sufficiently worn to become a tripping hazard.

Painting is not funded and can only be done only to protect building structure or when requesting agencies can pay for painting.

Department of General Services: Organizational Chart



452.1 workyears; 23 vacancies



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" and "Healthy and Sustainable Communities."

BUDGET OVERVIEW

The total recommended FY10 Operating Budget for the Department of General Services is \$34,660,250, a decrease of \$244,500 or 0.7 percent from the FY09 Approved Budget of \$34,904,750. Personnel Costs comprise 50.4 percent of the budget for 248 full-time positions and seven part-time positions for 199.4 workyears. Operating Expenses and Capital Outlay account for the remaining 49.6 percent of the FY10 budget.

County Government Reorganization

In FY09, the County Executive implemented a reorganization of Montgomery County Government designed to improve effectiveness, customer service, accessibility, and efficiency. As part of this reorganization, the Department of General Services was created to provide more coordinated government logistics and support functions. The Department of General Services includes the capital design and construction for County facilities; facilities maintenance and related services; real estate operations; printing, mail delivery and records management; and fleet management services all previously housed in the Department of Public Works and Transportation. In addition, the previous functions of the Office of Procurement and the Local Small Business Reserve Program previously located in the Department of Economic Development was consolidated into the Department of General Services. Due to the scale of operations, the Fleet Management Services budget is displayed separately. In the budget summary, FY08 actuals reflect the old organizational structure, while the FY09 budget, FY09 estimate, and FY10 budget figures reflect the new organizational structure.

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**
- ❖ **Strong and Vibrant Economy**

DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures that relate to multiple programs including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Headline Measures					
Hours Offline for Critical Building Systems	NA	NA	TBD	TBD	TBD
Percent of Projects Meeting Initial Design and Construction Costs	NA	NA	TBD	TBD	TBD
Percent of Projects Meeting Initial Design and Construction Timeline	NA	NA	TBD	TBD	TBD
Customer Service: DGS Function Average ¹	2.72	2.86	3.00	3.14	3.28
Environmental Stewardship: Carbon Footprint of Montgomery County Government (in metric ton carbon dioxide equivalents) ²	161,857	158,558	165,184	TBD	TBD
Condition of Non-critical Building Systems and Aesthetics ³	NA	NA	NA	TBD	TBD
Percent of Procurements Completed in Agreed Upon Time ⁴	NA	NA	TBD	TBD	TBD
County Rent vs. Average Market Rent for Leased Space ⁵	NA	NA	TBD	TBD	TBD

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)

² Projections are under construction because of pending projects scheduled to come on line FY10 and FY11.

³ Survey is being developed to collect data for the above measures going forward.

⁴ Percent of procurements completed on time and County rent vs. average market rent measures are under construction

⁵ Measure is under construction

ACCOMPLISHMENTS AND INITIATIVES

- ❖ **During the FY09 reorganization, a Quality Control Section was created in the Building Design and Construction Division. This Section oversees design and construction quality of County building projects. The Division also added a scheduler and cost estimator to better control project schedules and costs.**
- ❖ **Increase fluorescent lightbulb recycling by 33% from an average rate of 60% to an average rate of 80%.**
- ❖ **Streamline the process for purchasing parts costing less than \$500 - the majority of parts purchased.**
- ❖ **Productivity Improvements**
 - **Digitize work processes saving paper, filing space and staff time.**

PROGRAM CONTACTS

Contact Jane M. Lawton of the Department of General Services at 240.777.6023 or Adam Damin of the Office of Management and Budget at 240.777.2794 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 and fair procurement process in accordance with the County Code and the Procurement Regulations. Program staff also helps vendors understand the County's procurement process and procedures.

Procurement staff also provides County departments with training, assistance and guidance of department contract administrators. Further, Procurement works collaboratively with the Office of Business Relations and Compliance, the Office of Partnerships and other departments to build relationships with and provide training to businesses and non-profits 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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	2,174,110	27.9
Technical Adj: Work year correction to properly reflect charges to capital budget	0	-1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	229,440	1.0
FY10 CE Recommended	2,403,550	27.9

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 small businesses in Montgomery County. The office administers the County's Living and Prevailing Wage programs 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 Disadvantage Persons (MFD)

The MFD program objectives focus on annual goals of awarding a designated percentage of the total dollar value of negotiated contracts over \$50,000 to Maryland Department of Transportation certified minority, female, or disabled-owned businesses by procurement source. 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 mission of the Local Small Business Reserve Program is to ensure that County departments award a minimum of 10 percent of total contract dollars issued for goods, services or construction to registered local small businesses. The program assists County departments to identify contracting opportunities and solicitations appropriate for LSBRP competition. The program 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 mission of the Living Wage program is to ensure that County contractors and subcontractors pay employees, at a minimum, a "living wage" in compliance with the annually adjusted rate established by the Montgomery County Wage Requirements Law on qualifying contracts.

Prevailing Wage

The mission of the Prevailing Wage program is to ensure that contractors and subcontractors pay prevailing wages, as established by the Maryland State Commissioner of Labor and Industry for the Montgomery County region, to workers on certain construction projects awarded by the County.

<i>Program Performance Measures</i>	<i>Actual FY07</i>	<i>Actual FY08</i>	<i>Estimated FY09</i>	<i>Projected FY10</i>	<i>Projected FY11</i>
Percent of Contract Dollars Awarded to Minority/Female/Disabled owned businesses	22.3	18.0	21	21	21

<i>FY10 Recommended Changes</i>	<i>Expenditures</i>	<i>WYs</i>
FY09 Approved	508,770	5.0
Shift: Manager III from Fleet Management (Motor Pool) to Department of General Services Director's Office (General Fund)	166,450	1.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-74,800	-1.2
FY10 CE Recommended	600,420	4.8

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 system and website design and maintenance is included in this program as well as coordination with the County Department of Technology Services.

<i>FY10 Recommended Changes</i>	<i>Expenditures</i>	<i>WYs</i>
FY09 Approved	370,900	3.0
Technical Adj: To reflect Information Technology Technicians approved in FY09	121,290	2.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	28,820	-1.0
FY10 CE Recommended	521,010	4.0

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.

<i>Program Performance Measures</i>	<i>Actual FY07</i>	<i>Actual FY08</i>	<i>Estimated FY09</i>	<i>Projected FY10</i>	<i>Projected FY11</i>
Hours Offline for Critical Building Systems	NA	NA	TBD	TBD	TBD
Condition of Non-critical Building Systems and Aesthetics ¹	NA	NA	NA	TBD	TBD

¹ Survey is being developed to collect data for the above measures going forward.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	22,198,400	110.0
Increase Cost: Operating Budget Impacts of the General Electric Facility	1,600,000	0.0
Increase Cost: Operating Budget Impacts of Facility Projects Completed in the Capital Improvements Program	430,030	0.0
Increase Cost: City of Rockville Restroom Maintenance (Reimbursed by the City)	7,000	0.0
Decrease Cost: Various supplies	-121,780	0.0
Decrease Cost: Miscellaneous operating expenses	-234,520	0.0
Decrease Cost: Increase Lapse	-246,310	-0.5
Decrease Cost: Various service contracts for County facilities reduced 6 percent	-1,434,090	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-425,950	-0.4
FY10 CE Recommended	21,772,780	109.1

Notes: The Miscellaneous adjustment reflects the shift of \$90,940 (0.9 WY) from Facilities Management to the Environmental Stewardship program.

Environmental Stewardship

This newly developed program focuses on maintaining Montgomery County's leadership in environmentally sensitive maintenance, construction, and operational 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.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	0	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	188,310	2.1
FY10 CE Recommended	188,310	2.1

Notes: The Miscellaneous adjustment reflects the shift of \$97,370 (1.2 WY) from Administration and \$90,940(0.9 WY) from Facilities Management to the Environmental Stewardship program.

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.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Percentage of records requested/delivered on time ¹					
Percentage of print jobs completed on time					
Mail Cost Savings					

¹ Central duplicating measures will be developed

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	6,583,470	31.0
Increase Cost: Replacement of Printing, Mail, and Imaging Equipment per Schedule	144,380	0.0
Increase Cost: Annualization of FY09 Lapsed Positions	50,080	1.0
Increase Cost: Charge General Fund Work Years to the Central Duplicating Fund	22,020	0.2
Increase Cost: Records Management Warehouse Lease	20,000	0.0
Increase Cost: Retirement Adjustment	17,800	0.0
Increase Cost: Service Increment	17,660	0.0
Increase Cost: Motor Pool Rate Adjustment	15,720	0.0
Increase Cost: Equipment Maintenance	10,000	0.0
Increase Cost: Annualization of FY09 Service Increment	7,030	0.0
Increase Cost: Group Insurance Adjustment	6,120	0.0

	Expenditures	WYs
Decrease Cost: Elimination of One-Time Items Approved in FY09	-9,540	0.0
Decrease Cost: Savings realized through presorting mail	-83,300	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings	-93,860	-1.0
Decrease Cost: Paper Purchase	-179,090	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	0	0.2
FY10 CE Recommended	6,528,490	31.4

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 FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
County Rent vs. Average Market Rent for Leased Space ¹	NA	NA	TBD	TBD	TBD

¹ Measure is under construction

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	906,490	7.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	16,930	0.0
FY10 CE Recommended	923,420	7.0

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.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Percent of Projects Meeting Initial Design and Construction Costs	NA	NA	TBD	TBD	TBD
Percent of Projects Meeting Initial Design and Construction Timeline	NA	NA	TBD	TBD	TBD

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	149,130	0.5
Shift: Division of Building Design and Construction costs to Capital Improvement Program	-142,200	-0.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-6,930	0.0
FY10 CE Recommended	0	0.0

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 Real Estate and Management 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; Strategic Planning for the Director; and oversight of all personnel activities of the Department of General Services.

Program Performance Measures	Actual FY07	Actual FY08	Estimated FY09	Projected FY10	Projected FY11
Value of County contracts awarded to local small businesses (\$000) ¹	8,039	12,078	15,000	20,000	20,000

¹ The Local Small Business Reserve Program began in January, 2006.

FY10 Recommended Changes	Expenditures	WYs
FY09 Approved	2,013,480	13.3
Increase Cost: Rent for Day Laborer Centers	25,400	0.0
Decrease Cost: Central Duplicating Recovery Charge	-440	0.0
Shift: Charge Workyears to Central Duplicating Fund	-22,020	-0.2
Decrease Cost: Realize Efficiencies from Digitizing Work Processes	-441,520	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	147,370	0.0
FY10 CE Recommended	1,722,270	13.1

Notes: The Miscellaneous adjustment reflects the Shift of \$97,370 (1.2 WY) from Administration to the Environmental Stewardship program.

BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Recommended FY10	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	10,509,130	10,932,870	10,771,370	2.5%
Employee Benefits	0	4,376,320	3,961,250	4,250,180	-2.9%
County General Fund Personnel Costs	0	14,885,450	14,894,120	15,021,550	0.9%
Operating Expenses	0	13,435,830	12,829,340	13,110,210	-2.4%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	0	28,321,280	27,723,460	28,131,760	-0.7%
PERSONNEL					
Full-Time	0	216	216	218	0.9%
Part-Time	0	6	6	6	—
Workyears	0.0	166.7	166.7	168.0	0.8%
REVENUES					
Srathmore: Maintenance & Utilities	0	250,000	250,000	250,000	—
Grey Courthouse: Maintenance	0	467,000	467,000	467,000	—
Solicitation Fee: Formal On-Line	0	3,210	3,210	3,210	—
Solicitation Fee: Formal	0	8,130	8,130	8,130	—
Protest Fees	0	1,000	1,000	1,000	—
Photocopying Fees	0	100	100	100	—
Information Requests	0	600	600	600	—
County General Fund Revenues	0	730,040	730,040	730,040	—
PRINTING AND MAIL INTERNAL SERVICE FUND					
EXPENDITURES					
Salaries and Wages	1,635,779	1,747,550	1,688,590	1,783,680	2.1%
Employee Benefits	601,668	681,170	573,710	671,890	-1.4%
Printing and Mail Internal Service Fund Personnel Costs	2,237,447	2,428,720	2,262,300	2,455,570	1.1%
Operating Expenses	3,654,857	3,746,750	3,728,590	3,526,540	-5.9%
Debt Service Other	158,815	0	0	0	—
Capital Outlay	18,662	408,000	352,500	546,380	33.9%
Printing and Mail Internal Service Fund Expenditures	6,069,781	6,583,470	6,343,390	6,528,490	-0.8%
PERSONNEL					
Full-Time	0	31	31	30	-3.2%
Part-Time	0	1	1	1	—
Workyears	0.0	31.0	31.0	31.4	1.3%
REVENUES					
Mail Revenues	0	2,389,150	2,389,150	2,272,510	-4.9%
Print Revenues	0	3,229,350	3,229,350	3,489,360	8.1%
Other	0	116,730	116,730	0	—
Imaging/Archiving	0	914,590	914,590	911,180	-0.4%
Printing and Mail Internal Service Fund Revenues	0	6,649,820	6,649,820	6,673,050	0.3%
DEPARTMENT TOTALS					
Total Expenditures	6,069,781	34,904,750	34,066,850	34,660,250	-0.7%
Total Full-Time Positions	0	247	247	248	0.4%
Total Part-Time Positions	0	7	7	7	—
Total Workyears	0.0	197.7	197.7	199.4	0.9%
Total Revenues	0	7,379,860	7,379,860	7,403,090	0.3%

FY10 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY09 ORIGINAL APPROPRIATION	28,321,280	166.7
Other Adjustments (with no service impacts)		
Increase Cost: Operating Budget Impacts of the General Electric Facility [Division of Facilities Management]	1,600,000	0.0
Increase Cost: Operating Budget Impacts of Facility Projects Completed in the Capital Improvements Program [Division of Facilities Management]	430,030	0.0
Shift: Manager III from Fleet Management (Motor Pool) to Department of General Services Director's Office (General Fund) [Office of Business Relations and Compliance]	166,450	1.0
Technical Adj: To reflect Information Technology Technicians approved in FY09 [Automation]	121,290	2.0
Increase Cost: Service Increment	92,990	0.0
Increase Cost: Retirement Adjustment	86,530	0.0
Increase Cost: Group Insurance Adjustment	44,890	0.0
Increase Cost: Rent for Day Laborer Centers [Administration]	25,400	0.0
Increase Cost: City of Rockville Restroom Maintenance (Reimbursed by the City) [Division of Facilities Management]	7,000	0.0
Increase Cost: Printing and Mail Adjustments	3,440	0.0
Technical Adj: Work year correction to properly reflect charges to capital budget [Office of Procurement]	0	-1.0
Technical Adj: Workyear adjustment due to rounding	0	0.1
Decrease Cost: Central Duplicating Recovery Charge [Administration]	-440	0.0
Shift: Charge Workyears to Central Duplicating Fund [Administration]	-22,020	-0.2
Decrease Cost: Motor Pool Rate Adjustment	-53,850	0.0
Increase Cost: Annualization of FY09 Personnel Costs	-70,810	0.4
Decrease Cost: Various supplies [Division of Facilities Management]	-121,780	0.0
Shift: Division of Building Design and Construction costs to Capital Improvement Program [Building Design and Construction]	-142,200	-0.5
Decrease Cost: Miscellaneous operating expenses [Division of Facilities Management]	-234,520	0.0
Decrease Cost: Increase Lapse [Division of Facilities Management]	-246,310	-0.5
Decrease Cost: Realize Efficiencies from Digitizing Work Processes [Administration]	-441,520	0.0
Decrease Cost: Various service contracts for County facilities reduced 6 percent [Division of Facilities Management]	-1,434,090	0.0
FY10 RECOMMENDED:	28,131,760	168.0
PRINTING AND MAIL INTERNAL SERVICE FUND		
FY09 ORIGINAL APPROPRIATION	6,583,470	31.0
Other Adjustments (with no service impacts)		
Increase Cost: Replacement of Printing, Mail, and Imaging Equipment per Schedule [Central Duplicating, Imaging, Archiving & Mail Svcs.]	144,380	0.0
Increase Cost: Annualization of FY09 Lapsed Positions [Central Duplicating, Imaging, Archiving & Mail Svcs.]	50,080	1.0
Increase Cost: Charge General Fund Work Years to the Central Duplicating Fund [Central Duplicating, Imaging, Archiving & Mail Svcs.]	22,020	0.2
Increase Cost: Records Management Warehouse Lease [Central Duplicating, Imaging, Archiving & Mail Svcs.]	20,000	0.0
Increase Cost: Retirement Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	17,800	0.0
Increase Cost: Service Increment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	17,660	0.0
Increase Cost: Motor Pool Rate Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	15,720	0.0
Increase Cost: Equipment Maintenance [Central Duplicating, Imaging, Archiving & Mail Svcs.]	10,000	0.0
Increase Cost: Annualization of FY09 Service Increment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	7,030	0.0
Increase Cost: Group Insurance Adjustment [Central Duplicating, Imaging, Archiving & Mail Svcs.]	6,120	0.0
Technical Adj: Due to Rounding	0	0.2
Decrease Cost: Elimination of One-Time Items Approved in FY09 [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-9,540	0.0
Decrease Cost: Savings realized through presorting mail [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-83,300	0.0
Decrease Cost: Retirement Incentive Program (RIP) Savings [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-93,860	-1.0
Decrease Cost: Paper Purchase [Central Duplicating, Imaging, Archiving & Mail Svcs.]	-179,090	0.0
FY10 RECOMMENDED:	6,528,490	31.4

PROGRAM SUMMARY

Program Name	FY09 Approved		FY10 Recommended	
	Expenditures	WYs	Expenditures	WYs
Office of Procurement	2,174,110	27.9	2,403,550	27.9
Office of Business Relations and Compliance	508,770	5.0	600,420	4.8
Automation	370,900	3.0	521,010	4.0
Division of Facilities Management	22,198,400	110.0	21,772,780	109.1
Environmental Stewardship	0	0.0	188,310	2.1
Central Duplicating, Imaging, Archiving & Mail Svcs.	6,583,470	31.0	6,528,490	31.4
Real Estate Program	906,490	7.0	923,420	7.0
Building Design and Construction	149,130	0.5	0	0.0
Administration	2,013,480	13.3	1,722,270	13.1
Total	34,904,750	197.7	34,660,250	199.4

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY09		FY10	
		Totals	WYs	Totals	WYs
COUNTY GENERAL FUND					
CIP	CIP	367,350	2.8	5,668,360	47.1
Economic Development	County General Fund	152,830	0.0	0	0.0
Environmental Protection	Water Quality Protection Fund	222,240	2.0	238,010	2.0
Fleet Management Services	Motor Pool Internal Service Fund	260,240	0.8	281,840	0.8
Liquor Control	Liquor Control	303,300	0.5	327,790	0.5
Parking District Services	Bethesda Parking District	4,490	0.0	5,010	0.1
Parking District Services	Silver Spring Parking District	4,490	0.1	5,010	0.1
Solid Waste Services	Solid Waste Collection	36,660	0.1	0	0.0
Solid Waste Services	Solid Waste Disposal	44,910	0.5	0	0.0
Transit Services	Mass Transit	324,700	0.3	10,020	0.1
Utilities	County General Fund	173,430	0.0	195,060	0.0
Total		1,894,640	7.1	6,731,100	50.7

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)			
	FY10	FY11	FY12	FY13	FY14	FY15	
<i>This table is intended to present significant future fiscal impacts of the department's programs.</i>							
COUNTY GENERAL FUND							
Expenditures							
FY10 Recommended	28,132	28,132	28,132	28,132	28,132	28,132	
No inflation or compensation change is included in outyear projections.							
Labor Contracts	0	46	46	46	46	46	
These figures represent the estimated cost of service increments and associated benefits.							
Annualization of GE Facility Maintenance	0	717	717	717	717	717	
CIP Maintenance Operating Budget Impacts	0	31	302	575	559	559	
Subtotal Expenditures	28,132	28,926	29,197	29,470	29,454	29,454	
PRINTING AND MAIL INTERNAL SERVICE FUND							
Expenditures							
FY10 Recommended	6,528	6,528	6,528	6,528	6,528	6,528	
No inflation or compensation change is included in outyear projections.							
Labor Contracts	0	9	9	9	9	9	
These figures represent the estimated cost of service increments and associated benefits.							
Master Lease Payments	0	-37	-80	-203	0	0	
Master Lease Payments for Electronic Records Management System	0	597	597	597	597	597	
Items approved for a one-time funding for hardware and software.							
Replacement of Printing, Mail, and Imaging Equipment per Schedule	0	-462	-56	-239	-46	-402	
Reflects projected need for capital outlay replacement on an annual basis.							
Retiree Health Insurance Pre-Funding	0	112	168	181	194	208	
These figures represent the estimated cost of the multi-year plan to pre-fund retiree health insurance costs for the County's workforce.							

Title	CE REC.			(S000's)		
	FY10	FY11	FY12	FY13	FY14	FY15
Subtotal Expenditures	6,528	6,747	7,167	6,874	7,283	6,941

DGS FFI Facilities Maintenance FY10

MAINTENANCE COSTS FOR NEW FACILITIES IN FY10

Dept	Project	ProjName	AgencyName	FY10 Cost
DGS	159281	Silver Spring Redevelopment Pgm	County Executive	4,403
DGS	159921	Silver Spring Civic Building	County Executive	0
	450304	Burtonsville Fire Station Addition	Fire/Rescue Service	4,404
DGS	450305	Female Facility Upgrade	Fire/Rescue Service	5,285
DGS	459967	Takoma Park Fire Station 2 Replacement	Fire/Rescue Service	25,720
DGS	450101	East Germantown Fire Station	Fire/Rescue Service	48,500
DGS		600 Gude Drive Men's Shelter Additions	HHS	84,364
DGS	720103	Mid-County Community Recreation Center	Recreation	126,500
DGS		Wisconsin Place	Recreation	99,120
Total:				398,296
Amount in CE's FY10 budget				430,030
Reduction, because this amount was in the CE's budget to maintain the SS Civic Building, but maintenance will not be needed until FY11.				(31,734)

Notes:

Maintenance for Silver Spring Redevelopment Program is for snow removal in the Wayne Avenue and Veterans Plazas and sidewalks.

Silver spring Civic Building is now 20% complete (excavation is done) and now expected to come on line in May 2010. Maintenance funds will be needed in FY11.