

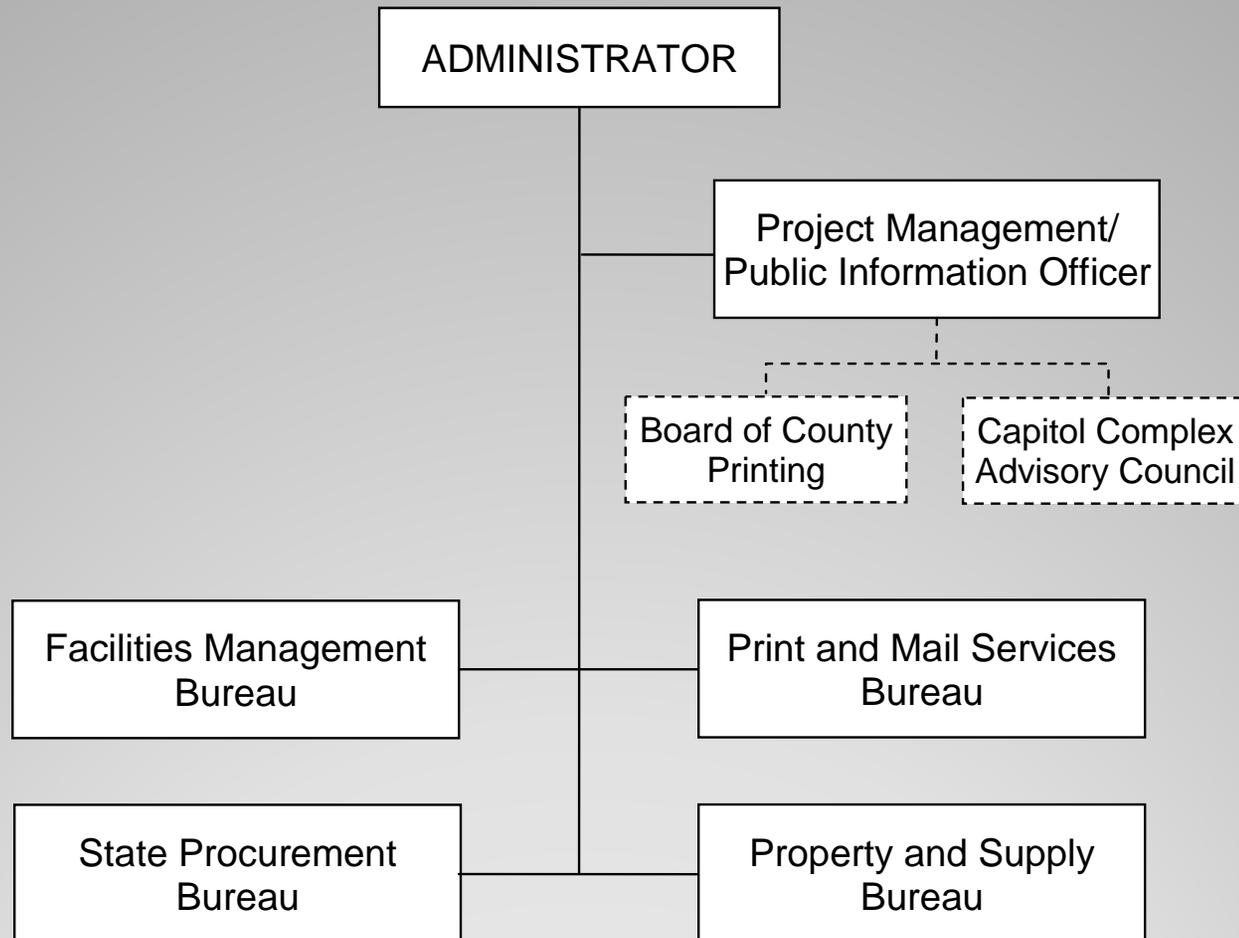
Department of Administration General Services Division

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January 2013



Total number of FTEs: 87.85 HB 2 FTEs: 11.25

Division Structure

- Proprietary Funding 94.76%
- General Fund 3%
- Enterprise Fund 2%
- Special Revenue Fund .24%

Funding

Facilities Management Bureau

- Provides maintenance, construction, utilities, emergency response, space allocation, leasing, security, janitorial, and grounds maintenance
- Maintains over 44 buildings within a 10-mile radius of the Capitol including 1.2 million square feet of office space
- Manages 38 private sector service contracts and approximately 359 office leases statewide

Services and Programs

Print and Mail Services Bureau

- Manages in-house and contracted printing
 - 67% of printing projects contracted to the private sector
- Provides photocopy services
 - Manages the photocopy pool contract
 - Offers two quick copy locations
- Manages incoming and outgoing mail services

Services and Programs

State Procurement Bureau

- Administers the Montana Procurement Act (18-4, MCA)
- Acts as a single point of contact for vendors
- Posts all bid and proposal opportunities online
- Administers the procurement and fuel card programs
- Contracts for supplies and services

Services and Programs

Property and Supply Bureau – Central Stores

- Manages the central contract for office supplies, paper products and janitorial supplies
 - \$4.8 million in annual sales
 - 60% private sector contract sales and 40% warehouse sales
 - Delivers and ships supplies to agencies

Services and Programs

Property & Supply Bureau – Surplus Property

- Manages the sale of state and federal surplus property
- Sells surplus property through live auctions, the internet, and at the surplus warehouse

Services and Programs

- Reimbursed agencies \$1 million from surplus sales
- Contributed \$446,000 to the General Funds in FY 2012 through procurement and fuel card rebates
- Lowered facilities management rates
- Saved over \$3 million by re-negotiating leases
- Completed the purchase of the OPI Building

Key Accomplishments

- Maintain our current level of services to agencies
- Provide efficient internal service support to agencies
- Avoid duplication and provide cost savings of internal services through centralization

Upcoming Priorities

- Reduces the base budget in the Facilities Management Program because we completed the installment purchase of the OPI building in FY 2012.
 - This General Fund reduction is for \$32,050/year or \$64,100 in the 2015 biennium

DP 606 Page A-139

**Eliminate General Fund Installment
Purchase Budget**

- Requests \$439,006 proprietary fund increase for janitorial, mechanical, and elevator maintenance contracts up for rebid
- Prevailing wage increases of 6.5% - 23.5%
- Effect on base rates:
 - Square foot rate: \$0.18 each year
 - Warehouse square foot rate: \$0.006 each year

DP 601 Page A-140
Increase for Contracted Services

- Projecting an increase in utility costs of \$92,002 due to increases in electricity, water and sewer rates
- \$38,918 increase for FY 2014 and \$53,084 for FY 2015
- Affect on base rates: \$0.03/sq ft in FY 2014 and \$0.04/sq ft in FY 2015

DP 602 Page A-140
Utility Increase

- Current processes are manual and ineffective
- MMS uses a work order management process to improve workflow and capture management information
- MMS will be a critical tool to effectively plan our deferred maintenance needs
- Affects rates by \$0.30 in FY 2014 and \$0.06 in FY 2015

DP 603 Page A-140
Maintenance Management System
(MMS) Purchase-OTO

- Reduces base budget to match anticipated revenue
- Reduction in maintenance and funds available for LRBP projects
- Agency impact: FY 2014 (\$1,248,157) and FY2015 (\$1,250,476)
- Affects square foot rate by approximately \$1.00 each year

DP 610

Operating Reductions to FMB

- Reduces base budget to match anticipated revenue
- Reduces budgets for equipment and debt service
- Impact: FY 2014 (\$362,753)

DP 611

Operating Reductions to Print and Mail

- Currently we operate a Central Stores program for office supplies
- On-line orders merged for delivery with stocked items
- Central Stores delivers or ships orders to agencies
- Central Stores provides agency billing, problem solving, and customer service to agencies

DP 605 Page A-145

Privatize Delivery of Office Supplies

- Most current costs and services absorbed by the national cooperative contract
- Request a 2% rate to fund one FTE
- Duties: Administer and audit contract, problem solving, and customer service
- Eliminates seven FTEs

Decision Package 605, *continued*

FY 2014 FY2015

| | | |
|---------------------|----------|----------|
| Office (per sq ft) | \$8.434* | \$8.217* |
| Storage | \$4.625* | \$4.637* |
| Project Management | 15% | 15% |
| Contract Management | 5% | 5% |
| Grounds Maintenance | \$0.491* | \$0.493* |

* Decreased rates

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Facilities Management Rates

- 74 print and mail rates for approval
- Minor adjustments in 18 rates; remainder unchanged
- Maximum rates controlled by 60-day working capital
- Costs recovered by charging for each unit of service provided

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Print and Mail Rates

Requests interagency mail rate of \$314,750 (5.74% increase)

- Increase in delivery locations, delivery time, and fuel costs
- Includes sorting and delivery of incoming mail and interagency mail
- This rate is total cost and is allocated to agencies based on historical usage

Page A-144
Print and Mail Rates

Requests a rate to allow a maximum markup of 25% on cost of supplies sold if decision package 605 not approved.

- Includes delivery and billing for supplies purchased through private sector contract and warehouse
- Same rate approved for current biennium

Central Stores Rate