



STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
BUREAU OF GENERAL SERVICES
BURTON M. CROSS BUILDING
4TH FLOOR, 77 STATE HOUSE STATION
AUGUSTA, MAINE
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To: The Joint Standing Committees on Appropriations and Financial Affairs and State and Local Government
From: William Longfellow, Director, Bureau of General Services
RE: Statutory Reports
Date: March 28, 2022

The Bureau of General Services, pursuant to several sections of Title 5 as indicated below, is responsible for a variety of reports to the Joint Standing Committees on Appropriations and Financial Affairs and State and Local Government. The reports are provided together below for your convenience. More information is available in nearly all cases should the Committees require it.

5 M.R.S. §1516-A – Capital Construction and Improvements (AFA)

1. Overview

Funds are used to maintain 53 structures comprising approximately 2 million square feet in Augusta, Hallowell, and Vassalboro. The State's infrastructure is the oldest in the state, with more than 46% of our buildings built before 1951; 90% of our buildings built before 1975.

Repair and maintenance funds are needed for: parking garage repairs; plumbing and electrical issues; roof replacements and repairs; mold, lead, asbestos and water testing; walkway repairs; septic system updates; building envelope repairs; drainage upgrades; paving improvements and striping; master plan update; masonry repointing; window replacements; space planning; mechanical system upgrades; painting, flooring, carpeting, lighting repairs and updates; retaining wall improvements; remediation efforts, and capital asset management planning.

BGS uses a combination of funding for Capital Construction and Improvements, including General Funds dedicated to the above capital maintenance efforts as well as certain components of major renovations, and Maine Governmental Facilities Authority funds for major renovations.

The report includes the following information:

- The status of any capital projects undertaken or completed during the most recently completed fiscal year (FY21) and the current fiscal year (FY22)
- Money expended during the most recently completed (FY21) and the current fiscal year (FY22), by project

2. Status of capital projects undertaken or completed during the most recently completed fiscal year (FY21)

A. Capital Construction Improvement Reserve Funds (these are funds 010-18A-88301 and 014-18A-88301)

The Bureau of General Services expended \$618,257.48 in capital construction improvement funds on capital projects in FY21 with funds from the Capital Construction Improvement Reserve (CCIR). These projects included:

- A generator installed at 15 Columbia Street to ensure Building Control could maintain operations in the event of a power outage.
- Renovation upgrades were made to 19 Union Street to provide safe and updated office space for state agencies.
- The roof top chillers were replaced on the Cross State Office Building.
- Roof replacements were completed on the Office of the Chief Medical Examiner and State Police Crime Laboratory.
- Cabinet unit heaters in the Tyson Building were replaced.

The cost of these capital improvements and the project status (completed vs. active and ongoing) is below:

Project Name	Expended in FY 21	Project Status
15 Columbia Street, Generator	\$9,112.00	Completed
19 Union Building Renovations	\$2,309.47	Completed
Facility Upgrades at 19 Union Street	\$76,798.00	Completed
Structural Roof Evaluation for Smith Merrill House	\$12,135.04	Active and Ongoing
Roof Top Chiller Replacement Project for Cross State Office Building	\$10,650.00	Completed
Office of the Chief Medical Examiner's Roof Replacement Project	\$236,800.00	Completed
Marquardt 2nd Floor Bathrooms	\$10,000.00	Completed
Roof Replacement at State Police Crime Laboratory	\$170,000.00	Completed
Cabinet Unit Heater Replacement Project, Tyson Building	\$63,530.97	Completed
New Inland Fisheries & Wildlife Headquarters Build. Site assessment	\$26,922.00	Completed
Total	\$618,257.48	

B. Maine Governmental Facilities Authority Projects FY21

The Maine Governmental Facilities Authority (MGFA) was created in 1997 to assist with financing the acquisition, construction, improvement, reconstruction and equipping of additions to governmental facilities. The authority is governed by five members including the State Treasurer, the Commissioner of Administrative and Financial Services, and three members appointed by the Governor. The MGFA issues securities on behalf of the Executive, Legislative and Judicial Branches to fund large projects essential to governmental operations.

Under the MGFA process, the Commissioner of Administrative and Financial Services identifies projects essential to Executive Branch operations, obtains legislative approval for borrowing, and “designates” those projects to the MGFA Board for issuance of securities.

The State has benefitted from very favorable borrowing rates due to its bond ratings. That, in combination with the regular retiring of prior debt service, has allowed additional critical projects to be funded without an increase in debt service.

MGFA bond funding is a critical tool that allows DAFS to address the deteriorated condition of the State’s old and chronically underfunded facilities. An example is the Cultural Building whose mechanical systems failed in 2020 after 50 years of service. The building had been plagued with asbestos - limiting access to certain areas and activities in the building - as well as poor heat, air conditioning and air circulation. Fortunately, at the time of this major system failure, MGFA bonds had been authorized for abatement and a new mechanical system. Without those funds, the Cultural agencies would have remained closed.

MGFA funding, targeted to large renovation and construction projects, augments but cannot replace general fund appropriations. MGFA securities require extensive advance planning, and issuance is a long and complex process with many participants. CCIR is nimbler and more available for emergencies and other capital repairs and improvements.

FY 21 projects undertaken with Maine Governmental Facilities Authority bonds are the following, listed with expenditures and year of bond issuance. Several important mechanical upgrades were made to outdated, inefficient mechanical equipment, building envelopes were repaired, and state facilities renovated.

The cost of these capital improvements and the project status (completed vs. active and ongoing) is below:

MGFA	Expended	Bond
Cross Building design of envelope upgrades	\$ 246,888.28	2018A
Cultural Building renovation design	\$ 1,293,403.40	2018A,2020A1610L
Deering Bldg engineering services	\$ 892.00	2015B
East Campus boiler upgrades	\$ 163,188.84	2018A
Greenlaw Bldg construction	\$ 13,839,141.75	2014B, 2015B, 2018A
Marquardt Bldg Updates to HVAC and restrooms	\$ 946,924.00	2014B, 2018A
OCME design	\$ 73,489.97	2020A 1610K
Ray Building design of renovations	\$ 323,498.41	2018A, 2020A 1610K
DOC construction at two correctional facilities	\$ 55,512,985.09	2017A, 2018, 2020A
TOTAL	\$ 72,400,411.74	

3. Status of Capital Projects Undertaken or Completed in the Current Fiscal Year FY22

A. Capital Construction Improvement Reserve Funds FY22

A summary of the work done with FY22 capital consists of:

- Facility evaluations for the Maine Criminal Justice Academy and Smith Merrill Building.
- Replacement and updates to the sidewalk around the Maine Law Enforcement Memorial.
- Upgrades to mechanical equipment, office space rehabilitation, and heating system repair in the Cross State Office Building.
- Mechanical system upgrades at the Bureau of Motor Vehicles.
- Installation of a sprinkler system and water main at 10 Water Street.
- Purchase of 40 Hospital Street for a new Office of Chief Medical Examiner building.

The cost of these capital improvements and the project status (completed vs. active and ongoing) is addressed below:

Project Name	Expended in FY 22	Project Status
Smith Merrill Building facility evaluation and roof replacment	\$ 283,136.96	Complete
Maine Law Enforcement Memorial sidewalk rehabilitation	\$ 3,376.60	Complete
Capitol Building water loss investigation	\$ 6,938.10	Ongoing
Cross State Office Building HVAC upgrades	\$ 314,675.00	Complete
Cross State Office Building Office space renovations	\$ 87,482.00	Ongoing
Bureau of Motor Vehicles HVAC upgrades	\$ 272,935.00	Ongoing
Maine Crime Lab roof access stairs upgrade	\$ 36,111.40	Complete
10 Water St Water line replacement	\$ 14,116.15	Complete
10 Water St HVAC upgrades	\$ 14,423.00	Complete
Chamberlain St. Parking Lot upgrades	\$ 515,729.59	Complete
MCJA Facility evaluation study	\$ 57,717.48	Ongoing
40 Hospital St. purchase for new OCME building	\$ 185,000.00	Complete
Total	\$ 1,791,641.28	

B. Maine Governmental Facilities Authority Projects FY22

Project Name	Expended in FY 22	Bond
Cross Building envelope evaluation	\$ 64,040	2018A
Cultural Building abatement preparation	\$ 1,955,287	2020A 1610L
Greenlaw Bldg construction	\$ 5,832,124	2018A
Marquardt Bldg contract settlement	\$ 9,500	2018A
OCME new building design	\$ 152,572	2020A 1610K
Ray Building renovation	\$ 398,794	2020A 1610K
Total	\$ 8,412,317	

5 M.R.S. § 1742-D (8) – Status of Current Leases (AFA and SLG)

The Division of Leased Space was established by law in 1991 to procure, administer and hold leases of space on behalf of all State of Maine departments and agencies. Major functions and responsibilities include:

- Serving as the central point of contact for facility leasing in State Government.
- Researching program requirements for agencies to inform space needs.
- Keeping current information about available properties in all geographic regions of the state.
- Maintaining knowledge of market prices to ensure that state agencies receive the best possible rates for leased space.
- Monitoring to ensure health and safety compliance.

The Leased Space Division works closely with State Government agencies, including the Legislative and Judicial Branches, to evaluate agency facility requirements and locate space that supports program needs. Leased Space personnel monitor real estate market rent and operating cost characteristics, and locate, negotiate and manage lease contracts with the goal of achieving the best value for the State of Maine. Because of the Division's state-wide perspective of the real estate market and familiarity with landlords and properties throughout the state, the Division is able to secure quality and cost-competitive space in all geographic areas.

The Division is currently administering 257 +/- active leases for office, warehouse, garage, storage, tower, classroom, mixed use and training purposes in the service of 37 State agencies, and across 68 different municipalities and 5 unorganized territories. The Division's leasing portfolio includes 1,835,301.86 square feet of space with an approximate value of \$27,624,544.15. This total cost includes rent, utilities, custodial services, and all associated costs of the leased space.

It is the Division's vision to foster productive landlord/tenant relationships while securing space that best serves agency needs. The Division procures leased space through RFPs when they exceed 10,000 square feet, and competitive bidding when spaces below that square footage are initially secured, in all cases selecting the space that is the best value to the State, taking into consideration the needs of the agency and of the public. If the space continues to be suitable for the agency and the public and the landlord has been responsive to State concerns, options to renew are frequently exercised or if there is no option to renew, the lease may be extended if favorable terms are reached. In seeking the best value for the State of Maine, the Division takes into consideration varying factors in addition to cost such as life-cycle cost, delivery date, and quality of the space.

5 M.R.S. § 325 – Preservation of Blaine House and Grounds (SLG)

Under 5 M.R.S § 325, the Blaine House Commission is required to report to the Legislature on its accomplishments and recommendations relating to the work and needs of the commission.

The Blaine House Commission was established by the Legislature in 1993 to review and approve proposed changes to the home of Maine's governors and its grounds. Consisting of four state agency directors and five public members with related professional expertise, the Commission meets periodically in response to specific proposals which affect this historic property.

Between August 31, 2019 and September 1, 2020, both the Blaine House staff and the Bureau of General Services conducted studies that informed the year's work. These were a lead-based paint study, a weatherization study, and a tree health and pruning review.

As a result of the weatherization study, the attic and basement were insulated. The lead-based paint study informed which areas of the Blaine House could be scraped and painted and which would be encapsulated with a new layer of paint. As a result of the tree health study, several unstable, low quality Norway Maples were removed.

The following projects were considered and approved between September 1, 2019 and August 31, 2021:

- Wallpaper removal and painting in a section of the first-floor hallway
- Wallpaper replacement in a section of the first-floor hallway
- Dining room ceiling repair and painting
- Planting of apple trees
- Replacement of old, deteriorating garage doors
- Installation of solar panels and tracker
- Removal of old stockade fence and replacement with white vinyl

In addition, various maintenance activities were conducted including:

- Exterior painting
- Repairs to brick pavers
- Basement and attic organization
- Servicing and cleaning of heat pumps, radiators, boilers
- Floor cleaning and polishing
- Glass repair
- Removal of unstable trees
- Pruning
- Exterior building envelope repairs

5 M.R.S. §1753 - Report on Employment of an Owner's Representative by a School Unit (SLG)

In the last year, the Department of Education initiated three new construction projects resulting in the hiring of an owner's representative for each project selected in conjunction with the local school administrative units.

5 M.R.S. § 1830 Status of Current Fleet Vehicle Operations (AFA and SLG)

This law requires a general report on the Central Fleet Management Division (CFM). CFM was established by the Legislature in 1991 in the Department of Administrative and Financial Services, Bureau of General Services, for the purpose of acquiring, maintaining and managing light duty vehicles for use by State Government and its employees on official state business except the Department of Public Safety. CFM works with agencies to reduce transportation costs. Strategies include minimizing operational disruption by providing well-maintained vehicles, increasing the fuel efficiency of the fleet, providing appropriate vehicles to complete assigned tasks avoiding unnecessary costly vehicles, converting employees who are being reimbursed for mileage into using more cost-effective state vehicles, and other initiatives.

The current fleet size is approximately 2,100 vehicles. Previous reductions in CFM's borrowing authority and increased purchase costs have reduced the number of vehicles replaced. This has created an older, higher mileage fleet. An increase in borrowing authority in the FY22/23 biennial budget and 6-year financing should have expedited the process of replacing these older, more costly, less efficient vehicles, allowing CFM to supply newer vehicles to agencies and lower monthly fees for some agencies that retain vehicles for extended periods of time.

Microchip shortages and COVID related factors worldwide prevented CFM from implementing the plan and, like other fleets, CFM largely missed more than one year of vehicle orders.

Approximately 275 vehicles currently are on order and should have arrived during the summer and fall of 2021, but continued delays in manufacturing and the cancellation of some orders by manufacturers keeps CFM in the unfortunate position of continuing to maintain an older fleet of vehicles. Vehicle order to delivery times are longer than normal and some are unknown.

Our order in calendar year 2021 contained two Nissan Leaf BEV (Battery Electric Vehicle) compact cars, four Ford E-Transit BEV cargo vans, and one Ford F150 Lightning BEV. BEVs are 100% electric with no other fuel source. Vehicle use will be closely monitored for appropriate uses, particular benefits, and reduced operating costs. Central Fleet continues to work with agencies to provide plug-in hybrid electric vehicles (PHEVs) and BEV vehicles where appropriate use cases exist and when there is vehicle availability. With electric vehicle availability extremely low during this order cycle many agencies purchased hybrid vehicles as the next best fuel-efficient choice. Approximately 40 hybrid vehicles were ordered, the largest number to date.

CFM is in the process of reviewing cooperative purchasing agreements to find a telematics program for use in our fleet. Telematics tracking devices allow the sending and receiving of data such as vehicle location, mileage, maintenance codes, fuel economy, etc. Information gathered by these units will be used to increase fleet efficiency, assist in identifying maintenance issues and recording fleet usage.

Approximately 300 vehicles will be ordered during the next cycle, dependent on vehicle pricing, availability and agency budget limitations. Currently, manufacturers do not have specifications or pricing for the next model year and most current year models can no longer be ordered. The timing of our next bid depends upon manufacturer release of that information.

Increased labor costs, demand for parts and new advancements in vehicle technology will create higher maintenance costs. As fuel costs have risen, Central Fleet's average fuel cost as charged to agencies has increased by approximately \$1.00/gallon compared to one year ago. An increase in vehicle purchase costs is expected due to supply chain issues, demand for new vehicles and new vehicle technology. An increase in the number of electric vehicles will also affect the average cost of new vehicles; however, some savings will be achieved as a result of greater fuel efficiency. Reduced operational costs generally do not offset an increase in purchase price.

Central Fleet will continue to work with all State agencies to increase EV purchases as availability and advancements in the technology align with the needs of our users. Expansion of the state-wide charger network will also be a factor in supplying appropriate use vehicles to our customers.

The fleet is made up of light duty vehicles of all types. Due to the specialty use of many vehicle types, cost savings are measured by comparing passenger sedan fleet costs to the State's reimbursement rate. Over the last 10 years, CFM's average cost to agencies for passenger sedans was less than \$0.33/mile while the reimbursement rate has been \$0.44/mile and \$0.45/mile, a total savings of nearly \$12,000,000.

5 M.R.S. § 7-A State Owned Vehicles (AFA and SLG)

This law requires every department or agency in State Government that has state-owned vehicles to report the total number of state vehicles within that department or agency, the individual employees to whom a state vehicle is assigned, and the purpose or function to which the vehicles are assigned.

A summary and full report can be found [here](#).

5 M.R.S. § 1825-B (10) List of State Preferences Published (SLG)

This law requires the Bureau of General Services to publish a list of states that give preference to in-state bidders with the percent increase applied in each such state. The Bureau of General Services or any department or agency of the State may rely on the names of states and percentages as published in determining the best-value bidder without incurring any liability to any bidder.

Maine relies on the National Association of State Procurement Officials Reciprocal Preference website, as do many states. The link to that list is shown below, and is published on the Bureau of General Services, Division of Purchases website. <https://www.naspo.org/research-innovation/state-preference-repository/>

5 M.R.S. § 1825-B (3) Cooperative Agreement Report (SLG)

The law authorizes the State to enter into cooperative agreements with the University of Maine System and the Community College System when the agreement involves assisting a State agency and enhancing the ability of the University System or Community College System to fulfill its mission. The law providing for cooperative agreements allows competitive bidding to be waived.

In CY21 there were 72 zero-dollar contract amendments/extensions. We processed 3 cooperative contract reductions and 24 new/amended contracts listed in the table below. The net increase in contract value was \$11,686,910.17.

Department	Vendor Name	CT End Date	Added/Adjusted CY2021
Corrections	UNIV OF ME SYS	6/30/2021	\$ 19,081.00
Education	UNIV OF ME SYS	6/30/2021	\$ (97,748.00)
Education	ME COMMUNITY COLLEGE SYS	8/30/2021	\$ 6,000.00
Education	UNIV OF MAINE SYS	6/30/2024	\$ 11,116.00
Education	UNIV OF MAINE SYS	6/30/2022	\$ 60,062.00
Education	KENNEBEC VALLEY COMMUNITY	8/31/2022	\$ 107,219.00
Education	UNIV OF MAINE SYS	8/31/2022	\$ 132,163.00
Education	ME COMMUNITY COLLEGE SYS	5/31/2024	\$ 159,490.35
Education	UNIV OF ME SYS	6/30/2024	\$ 190,789.00
Education	UNIV OF MAINE SYS	9/30/2022	\$ 202,886.00
Education	ME COMMUNITY COLLEGE SYS	8/30/2022	\$ 210,402.49
Education	UNIV OF MAINE SYS	9/30/2021	\$ 211,082.00
Education	UNIV OF ME SYS	6/30/2021	\$ 445,000.00
Education	UNIV OF ME SYS	6/30/2022	\$ 445,000.00
Education	UNIV OF ME SYS	6/30/2026	\$ 584,578.00
DHHS	UNIV OF ME SYS	6/30/2021	\$ (336,414.52)
DHHS	UNIVERSITY OF SOUTHERN MAINE	6/30/2021	\$ (11,583.00)
DHHS	UNIVERSITY OF SOUTHERN MAINE	9/30/2021	\$ 19,069.09
DHHS	UNIVERSITY OF SOUTHERN MAINE	6/30/2021	\$ 58,890.00
DHHS	UNIVERSITY OF SOUTHERN MAINE	6/30/2022	\$ 136,290.00
DHHS	UNIV OF ME SYS	6/30/2021	\$ 1,376,684.00
DHHS	UNIV OF ME SYS	6/30/2021	\$ 1,932,781.00
DHHS	UNIV OF ME SYS	6/30/2023	\$ 5,486,378.00
DMR	UNIV OF MAINE SYS	8/31/2021	\$ 4,500.00
DMR	UNIV OF MAINE SYS	6/30/2022	\$ 12,632.00
DMR	UNIV OF MAINE SYS	4/30/2022	\$ 37,895.76
MHDO	UNIV OF ME SYS	6/30/2022	\$ 282,667.00
Total			\$ 11,686,910.17

5 M.R.S. § 1825-P Code of Conduct Report (SLG)

The law requires a report to the Committee regarding the administrative and fiscal impact of the Code of Conduct for the supply of apparel, footwear, or textiles, and the degree of compliance with the Code of Conduct law. The law aims to ensure that certain standards are met by vendors who sell apparel, footwear or textiles to the State. Employers should fairly compensate hard work, protect the health and safety of working people, and not tolerate any form of unlawful discrimination or abuse.

The State of Maine, in its role as a market participant procuring goods and services, enforces the Code of Conduct to safeguard the basic tenets of ethical business practices and protect against purchases involving “sweatshops”. The State of Maine makes a good faith effort to ensure that vendors and suppliers adhere to the Code of Conduct.

The State of Maine expended \$1,634,711.78 on clothing related items in calendar year 2021. Of that total, \$815,591.14 (50%) was expended with Code of Conduct compliant vendors. This data is based on the “object code” of the materials purchased rather than the vendor. The data is dependent on each agency using the correct object code.

The following is a list of vendors the State of Maine holds (or held in calendar year 2021) with a Master Agreement for clothing-related items compliant with the Code of Conduct law. Please note, if a vendor is on the list below, it does not mean that the vendor’s entire line of products is Code of Conduct compliant.

VENDOR	CITY	STATE
Admiral Fire & Safety Inc.	Scarborough	ME
Arborwear LLC	Chagrin Falls	OH
Atlantic Tactical	New Cumberland	PA
Bob Barker Co. Inc.	Charlotte	NC
Bob Barker Co. Inc.	Fuquay Varina	NC
Cintas Corp	Westbrook	ME
HAH Inc Harry's Motor Sport	Presque Isle	ME
Hanging By A Thread	Portland	ME
Johnson Woolen	Johnson	VT
LT's Inc.	Portland	ME
Maine-ly Red Wing Inc	Brewer	ME
Masterman's LLP	Auburn	MA
Neptune Uniforms & Equip	Haverhill	MA
Pacific Creast Uniform CO, dba Mountain Uniforms	Incline Village	NV
Trident Armory	Hermon	ME
Unifirst Corp.	Portland	ME
Unifirst Corp.	Bangor	ME
W S Emerson	Brewer	ME

The payment mechanisms for procurement of clothing under this section consists of: \$217,222.44 through State of Maine Procurement Cards; \$1,390,185.86 via the more standard “Delivery Order” purchasing process; and \$27,303.48 via “non-standard” mechanisms at the agency level.

5 M.R.S. § 1825-B (13) Code of Conduct - Vendor’s Fee (SLG)

The Code of Conduct fee is 1% of sales to the State and assessed based on the State’s spend through each Master Agreement. These are paid quarterly by vendors.

The Procurement Services Division received Code of Conduct fees totaling \$3,778.92 during 2021. Also, collection efforts recouped past due amounts totaling \$17,305.60 from two delinquent vendors during the first quarter of CY 2022.