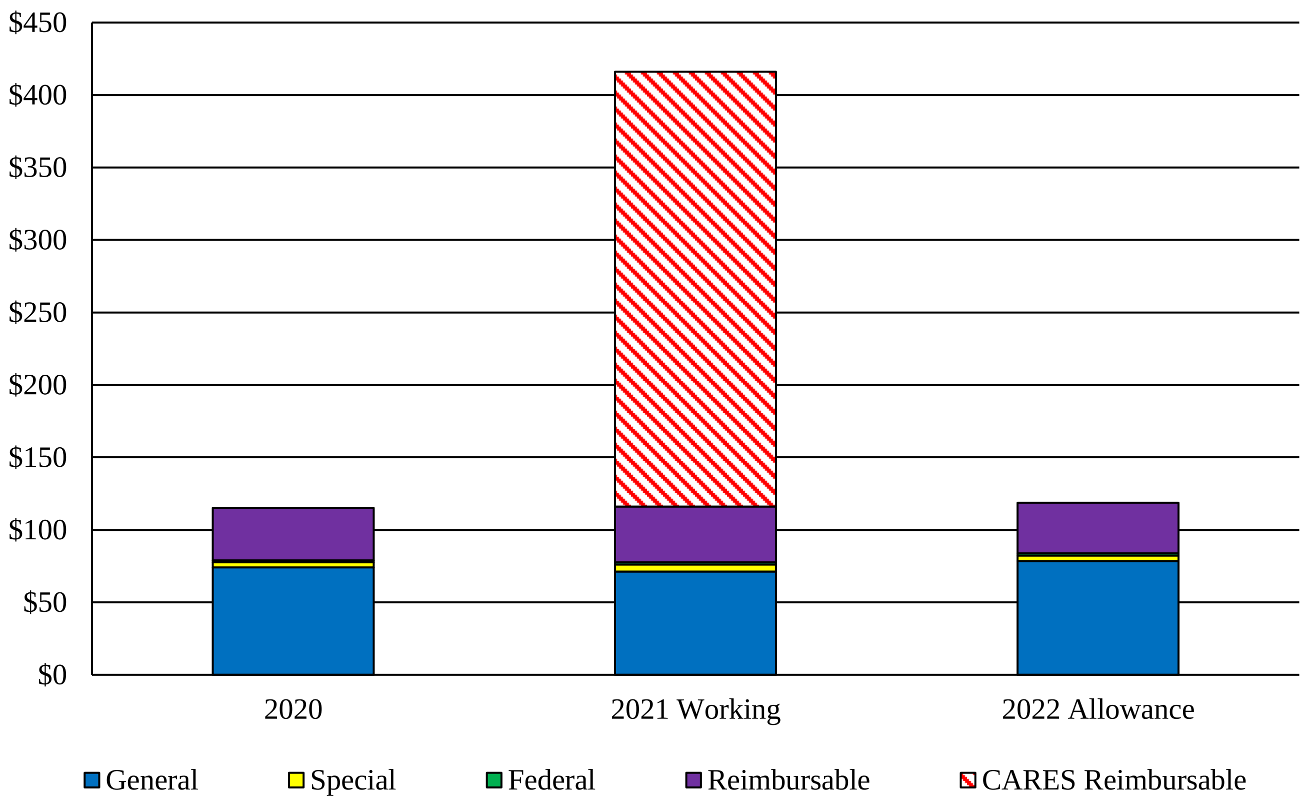
H00
Department of General Services

Executive Summary

The Department of General Services (DGS) is the landlord to State agencies. Services provided include operating and maintaining facilities; facility security; facility planning, design, and construction management; real estate management for leased facilities; and State procurement.

Operating Budget Summary

Fiscal 2022 Budget Decreases $298.4 Million, or 71.5%, to $118.7 Million
($ in Millions)



CARES: Coronavirus Aid, Relief, and Economic Security Act

Note: The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes contingent reductions, annual salary review adjustments, State Law Enforcement Officers Labor Alliance increments and general salary increase, and annualization of general salary increases.

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- Fiscal 2021 expenses are inflated due to a $300 million budget amendment for COVID-19 pandemic supplies.

Key Observations

- ***COVID-19 Pandemic Leads to Increased Use of Emergency Procurements:*** The pandemic resulted in a sharp increase in the need for certain supplies, equipment, and services, especially personal protective equipment. To meet this surge in demand, DGS and other State agencies employed the use of emergency procurements. Formal reporting to the Board of Public Works on emergency procurements took longer than required.

- ***COVID-19 Pandemic Response Includes Moving Almost Half of Executive Branch Workforce to Remote Work:*** The pandemic's social distancing requirements resulted in job losses in many industries and remote work in others. In Maryland, the share of Executive Branch employees working remotely increased from 0.8% in January 2020 to 46.3% in January 2021. This has had a transformative effect on many organizations and workers. As workers return to offices after the pandemic, office space needs may change. DGS should be working with other State agencies to determine what appropriate post-pandemic needs are.

- ***State Facility Maintenance:*** DGS has a new Building Assessment Unit that is evaluating the condition of State buildings. The department is recommending that State agencies upgrade their building information systems to improve maintenance.

Operating Budget Recommended Actions

1. Adopt committee narrative about remote work and State agencies.

Updates

- The budget bill restricted $40,000 of the Payment in Lieu of Taxes grant for the City of Annapolis pending a report. The City of Annapolis submitted a report to the Department of Legislative Services in early January and a revised report on February 2, 2021.

- The fiscal 2021 Budget Bill restricted $100,000 pending a report on the adoption of corrective action by DGS and a determination by the Office of Legislative Audits (OLA) that each finding was corrected. DGS advises that the department is communicating regularly with OLA and submitted a response on February 19, 2021.

Operating Budget Analysis

Program Description

The Department of General Services (DGS) provides an array of services for State agencies. DGS' primary function is to serve as a landlord. The department also administers a grant program and is a procurement control agency. Specific agencies and offices include:

- **Executive Direction** is responsible for leadership and coordination of programs and activities.

- **Administration** provides personnel and fiscal support for the department.

- **Facilities Operations and Maintenance** supports the operation and maintenance of over 50 State-owned facilities, including the District Courts and multiservice centers. These services are provided through a combination of State positions and private contractors.

- **Facilities Security** provides facility security and law enforcement services. Security is provided through State employees. The Maryland Capitol Police (MCP) has sworn officers who provide law enforcement services and coordinate with other law enforcement agencies.

- **Energy Performance and Conservation** manages energy procurement and consumption.

- **Facilities Planning, Design, and Construction** serves as the State's construction manager. The office provides architectural, engineering, and construction inspection services for projects at State facilities. The office also reviews the design of community college and public school construction programs.

- **Real Estate Management** acquires and disposes of real property interests through three programs: Lease Management and Procurement; Land Acquisition and Disposal; and Valuation and Appraisal.

- **State Procurement** serves as the control agency for the procurement of commodities as well as architectural and engineering services. Records management services are also provided. Legislation expanding DGS' procurement role is discussed in the Issues section of this analysis.

- **Business Enterprise Administration** serves as a support unit that provides services to other DGS units. Services provided include business outreach and training, marketing, State fuel contract, mail room, and the capital grants and loan program. The office includes the Inventory Management and Support Services Division that determines and manages property disposition (excluding vehicles) for State agencies.

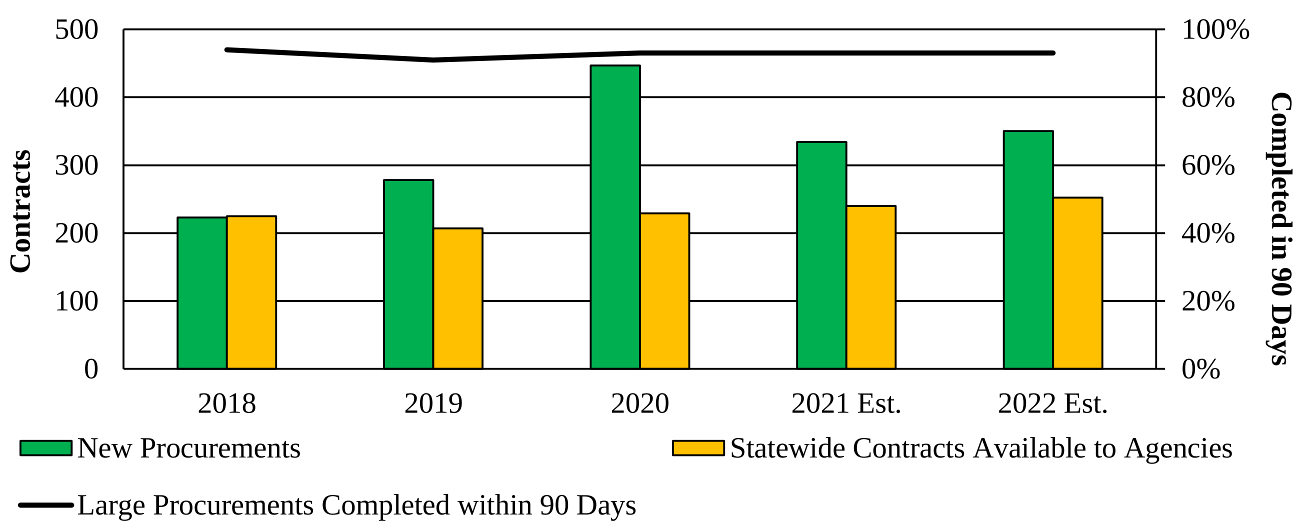
Key goals are to provide the best value for customers and taxpayers, provide a safe and secure environment for State employees and visitors in complexes secured by MCP, carry out social and economic responsibilities, maintain the condition of DGS-owned buildings to provide a comfortable environment for State employees and visitors, improve the condition of State facilities, and reduce State energy consumption.

Performance Analysis: Managing for Results

1. Procurement

The Office of State Procurement (OSP) serves as the control agency for commodities, facilities maintenance, and construction. As of October 1, 2019, it assumed responsibility for procuring services, information technology products, and public safety construction. Small procurements are procurements valued at less than $50,000 and are delegated to agencies. DGS' objective is that 80% of large procurements are completed within 90 days. **Exhibit 1** shows that DGS has been meeting this goal and anticipates that it will continue to do so. The data has not been adjusted to reflect the new workload associated with DGS' increased responsibilities in fiscal 2020.

Exhibit 1
Procurement Activity
Fiscal 2018-2022 Est.



Note: Indicators measure current workload prior to procurement consolidation at the beginning of the second quarter of fiscal 2020.

Source: Governor's Fiscal 2022 Budget Books

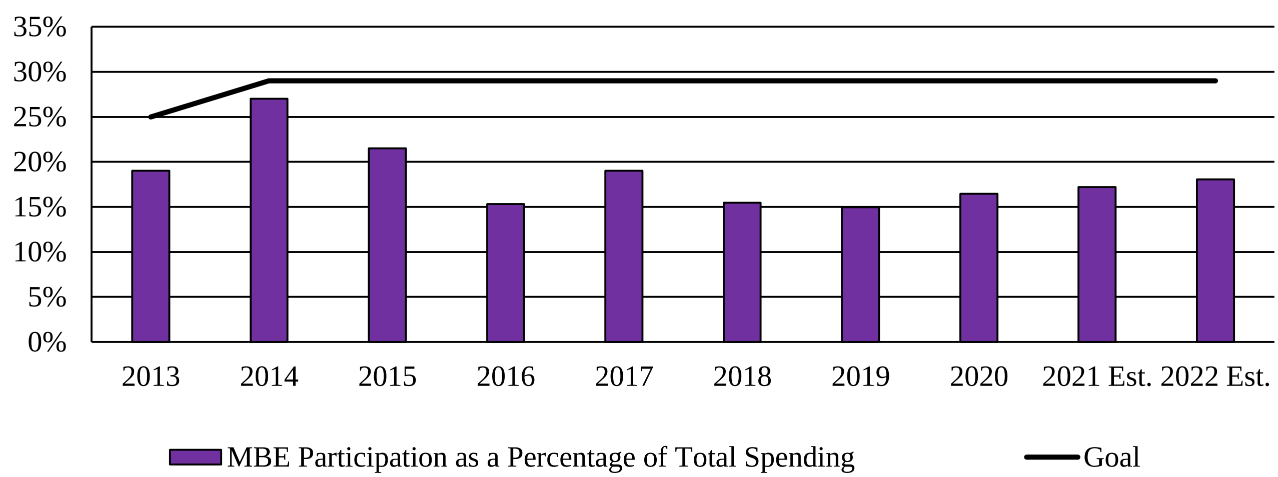
DGS has found that it is more effective to combine procurements that have a common commodity or service into larger procurements. As such, the department has a goal to reduce the total number of procurements through strategic sourcing. The number of new procurements has fluctuated in recent years. DGS believes that it can increase vendor selection through the execution of more statewide and regional contracts. These statewide and regional contracts are also anticipated to have a greater mix of small, minority-, and veteran-owned businesses.

2. Minority Business Enterprise Participation

The State has a Minority Business Enterprise (MBE) program to increase procurement opportunities for minority- and women-owned businesses. The Governor's Office of Small, Minority, and Women Business Affairs has set the goal that 29% of prime and subcontract awards go to MBE-qualified businesses.

In fiscal 2019, DGS awarded $34 million in contracts to prime contractors and $38.4 million to subcontractors. **Exhibit 2** shows that MBE participation was 16.5% in fiscal 2020. This continues a trend in which every year since fiscal 2013 has been below the MBE target. A factor that led to the decline since fiscal 2016 was that legislation removed nonprofits and preferred providers from the MBE program. To improve MBE participation rates, DGS advises that the Office of Business Programs has undertaken vendor outreach activities through partnerships with procurement-related agencies and marketing events.

Exhibit 2
MBE Participation as a Percentage of Total Spending
Fiscal 2013-2022 Est.



MBE: Minority Business Enterprise

Source: Governor's Fiscal 2021 Budget Books

3. Energy Consumption

Statewide appropriations for energy are substantial. Fiscal 2020 actual spending includes $134.8 million for electricity, $28 million for natural gas and propane, and $4.8 million for fuel oil. DGS' goal is to reduce consumption and be more energy efficient. This is supported by a June 2019 executive order with the goal of reducing energy consumption in State-owned buildings. The order excluded leased space and nonbuilding consumption such as traffic lights, transit, and communications towers. The order noted that the State has seen a reduction in energy costs since fiscal 2014. The order requires that DGS submit an annual report to the Governor and that agencies be given an opportunity to highlight efforts to save energy.

The department has a number of tools that it can use to reduce energy consumption. Energy Performance Contracts (EPC) improve assets to reduce energy consumption. DGS contracts with a private vendor to audit a facility and recommend improvements that reduce energy consumption. Improvements include replacing aging equipment with energy-saving equipment or improving insulation. If the savings is greater than the cost of the improvements, the State can enter into a contract with the vendor to implement the improvements. Generally, the State receives a surety bond that guarantees savings. **Exhibit 3** shows that the State has entered into 27 EPCs with annual savings of 1.2 million British thermal units in fiscal 2020.

Exhibit 3
Energy Efficiency Performance Measures
Fiscal 2018-2022 Est.

	2018	2019	2020	2021 Est.	2022 Est.
Energy Performance Contracts (EPC)	26	27	27	29	30
Total Energy Savings Achieved through EPCs (millions of MMBTUs)	1.15	1.20	1.20	1.40	1.50
Percent of Statewide facilities with complete data in the State's Energy Database	10.4%	17.4%	34.4%	41.3%	45.5%

MMBTU: one million British thermal units

Source: Governor's Fiscal 2022 Budget Books

The June 2019 executive order sets a goal that energy consumption in State-owned buildings be reduced 10% compared to the fiscal 2018 consumption. Since fiscal 2018 is a baseline for the statewide goal, it would be helpful if DGS could report fiscal 2018 consumption as a baseline and compare this to subsequent annual consumption in the Managing for Results (MFR) indicators. Interestingly, the Department of Budget and Management (DBM) tracks the percentage change from 2008 but does not publish this data with DBM's MFR data. **The Department of Legislative Services (DLS) recommends that MFR indicators measure fiscal 2018 baseline energy consumption and compare consumption in subsequent years to fiscal 2018.**

The State also has a database to manage energy consumption. The database, which is rebid every five years, is maintained by a contractor. It allows the State to know how much energy is used. From this data, the State can better manage block and index purchases and determine where the worst performing facilities are to address inefficiencies. DGS advises that this database is a key tool for improving energy efficiency and that the executive order focuses efforts on filling in data that is missing from the database. The percent of statewide agencies with all datapoints complete in the database increased from 10% in fiscal 2018 to 34% in fiscal 2020.

DGS can also make other improvements to make the State more energy efficient and reduce costs such as improving metering and billing.

- ***Submetering:*** The majority of State buildings are currently on master-metered campuses and are consequently not metered at the building level. Metering at the building level will empower the State to identify and retrofit poor performing buildings.

- ***Utility Bill Centralization:*** A centralized billing system for agency utility payments, which will become a component of the eMaryland Marketplace eProcurement Solution, will bring substantial efficiencies to the payment of utility bills.

- ***Retro-commissioning of Buildings:*** In 2021 DGS hired an engineering firm to return the Building Automation System of the Rockville Multi-Service Center back to its original operating condition, saving over 50% of the system's use of electricity, with an expected payback of less than three years. DGS is evaluating other buildings to find good candidates for further retro-commissioning,

- ***Light Emitting Diode (LED) Lighting Upgrades:*** In 2021 DGS replaced all of the existing lighting in the Annapolis Data Center and Revenue Administration Building, with nearly 2,500 LED fixtures, with an expected payback of under six years. In 2022, DGS is planning to replace all of the existing light fixtures at Tawes and the Goldstein Buildings with over 5,000 LED fixtures.

Fiscal 2021

Proposed Deficiency

DGS has the following fiscal 2021 deficiency appropriations in the budget bill:

- Restore $138,325 and 7.00 regular positions. DGS received 12.00 regular positions in a fiscal 2020 deficiency appropriation to support procurement reform enacted by Chapter 590 of 2017. The Board of Public Works (BPW) reduced 7.00 of those new positions in the July 1, 2020 cost containment reductions.

- Transfer $134,007 from Administration in the Office of the Secretary to the Office of State Procurement.

Cost Containment

On July 1, 2020, BPW approved the following general fund reductions to the fiscal 2021 DGS budget, as listed in **Exhibit 4**. The largest reductions shifted costs into subsequent fiscal years, since the critical maintenance backlog remains and the security enhancements will be leased over five years, from fiscal 2022 to 2026, instead of purchased in fiscal 2021.

Exhibit 4
July 1, 2020 Board of Public Works Cost Containment Reductions
($ in Thousands)

Description	General Fund Reductions	Total Reductions
Reduce Critical Maintenance Funding	$5,000	$5,000
Lease Finance Facility Security Enhancements	1,998	1,998
Reduce Funding for Utilities in State Office Buildings to Prior Three-year Average	722	722
Increase Departmentwide Turnover Rate to 8%	638	638
Abolish 7 of 12 New Positions in the Office of State Procurement (Subsequently Restored in a Proposed Fiscal 2021 Deficiency Appropriation)	542	542
Reduce Mandated Grant to the City of Annapolis	367	367
Other Administrative Reductions, Including Travel, Supplies, and Vehicle Replacement	412	412
Across-the-board Reductions, DoIT Enterprise and Salaries, and Unemployment Insurance	291	296
Total	**$9,970**	**$9,975**

DoIT: Department of Information Technology

Source: Board of Public Works

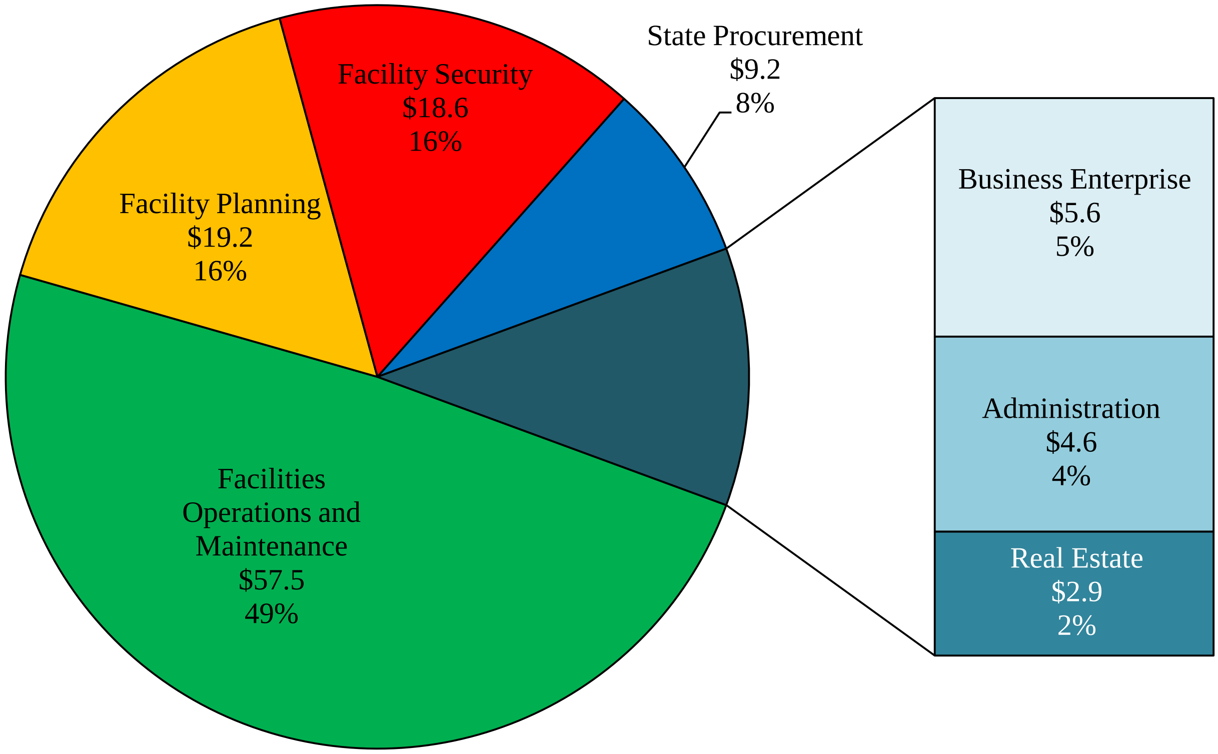
COVID-19 Spending

A $300 million reimbursable fund budget amendment for COVID-19 supplies and materials was added to the fiscal 2021 working appropriation. There is a memorandum of understanding between DGS and the Maryland Department of Health (MDH) to provide a means of reimbursement for obligations made by DGS on behalf of the State in coordination with MDH in response to the COVID-19 pandemic. DGS advises that expenditures as of February 2021 total $116 million.

Fiscal 2022 Overview of Agency Spending

DGS consists of seven agencies whose spending differs substantially. **Exhibit 5** shows that 49% of the department's spending supports Facilities Operations and Maintenance (the largest agency), while Real Estate (the agency requiring the least resources) consumes 2% of spending.

Exhibit 5
Expenditures by Agency
Fiscal 2022 Allowance
($ in Millions)

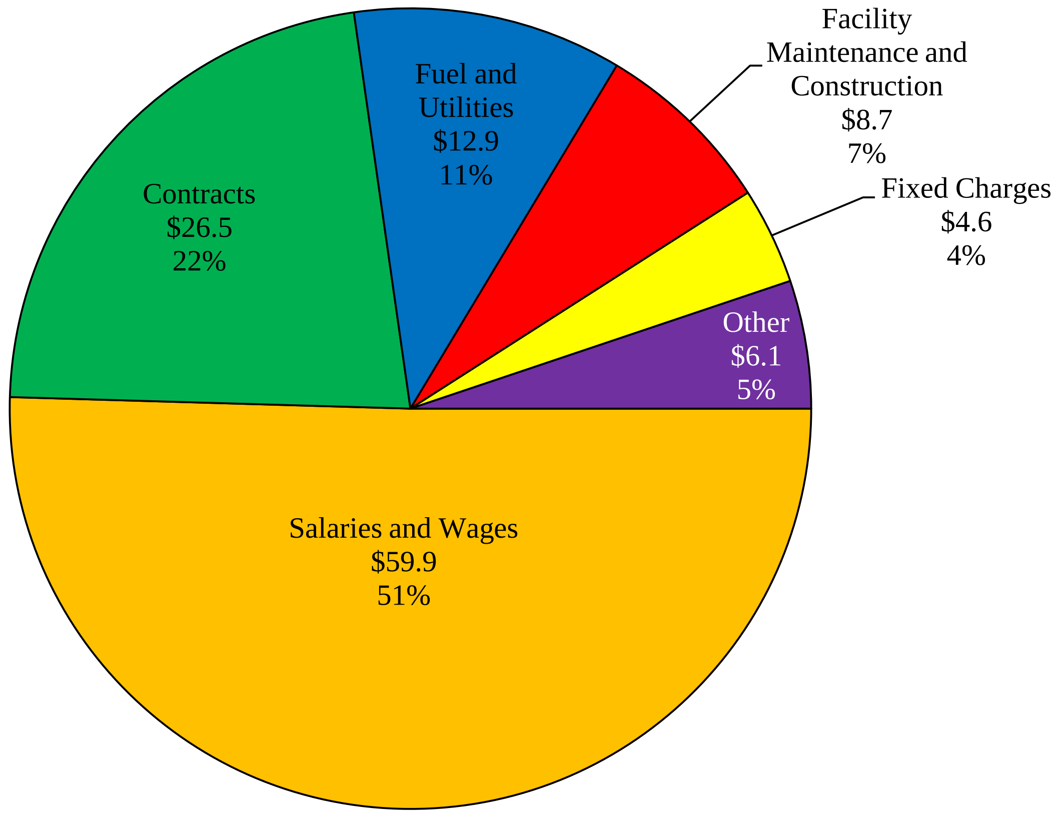


Note: Includes proposed $383,000 reduction to payment in lieu of taxes grant to the City of Annapolis but excludes annual salary review adjustments, State Law Enforcement Officers Labor Alliance increments and general salary increase, and annualization of general salary increases.

Source: Department of Budget and Management

Personnel spending is the largest share of spending. **Exhibit 6** shows that 51% of spending supports salaries and wages. Other significant costs are contracts, fuel and utilities for State facilities, and maintenance of State facilities. These four areas comprise just over 90% of DGS spending.

Exhibit 6
Spending by Object
Fiscal 2022
($ in Millions)



Note: The fiscal 2022 allowance includes contingent reductions, annual salary review adjustments, State Law Enforcement Officers Labor Alliance increments and general salary increase, and annualization of general salary increases.

Source: Department of Budget and Management

Proposed Budget Change

Exhibit 7 shows that the adjusted fiscal 2022 allowance decreases to $118.7 million, which is $298.4 million (71.5%) less than the adjusted fiscal 2021 working appropriation. Fiscal 2021 costs are exceptionally high because of the $300 million budget amendment for supplies required during the COVID-19 pandemic.

Exhibit 7
Proposed Budget
Department of General Services
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2020 Actual	$73,897	$3,640	$1,423	$36,109	$115,069
Fiscal 2021 Working Appropriation	72,132	4,931	1,483	338,597	417,143
Fiscal 2022 Allowance	78,515	3,696	1,497	35,038	118,746
Fiscal 2021-2022 Amount Change	$6,383	-$1,235	$14	-$303,559	-$298,397
Fiscal 2021-2022 Percent Change	8.8%	-25.0%	1.0%	-89.7%	-71.5%

Where It Goes:	Change
Personnel Expenses	
Regular salaries and other fringe benefits	$1,093
Annualize fiscal 2021 general salary increase	433
Annualize new procurement positions	420
Retirement contributions	144
Fiscal 2022 SLEOLA general salary increase and increments	100
Unemployment Insurance	112
Annual salary review for fiscal series staff	85
Workers' compensation premium assessment	-40
Turnover adjustments	-87
Overtime	-100
Employee and retiree health insurance	-155
State Procurement Office	
eMaryland Marketplace contract	-1,800
Reimbursable funds for MOU with MDH for COVID-19 pandemic supplies	-300,000
Facilities Operation and Security	
Contract labor costs for lease-finance Sweeney District Court building improvements	1,793
HVAC contractor costs	1,312
Security equipment leases attributable to July 1, 2020 cost containment	262
Non-DGS rent incremental increases for fiscal 2000 to fiscal 2030 lease	251
Equipment capital leases in response to Building Assessment Unit condition assessments	101
Security service contracts 15% reduction	-410
Facility security data processing carryover reductions related to equipment leases	-439
Janitorial service contracts 15% reduction	-457
Utilities	-858

Where It Goes:	Change
Other Operations	
State facility energy audits supporting Energy Performance Contracts, submetering, and other efficiency measures	356
DoIT service allocation	152
Statewide Personnel System allocation	-81
Statewide Critical Maintenance Program	-400
Other Changes	-183
Total	**-$298,397**

DGS: Department of General Services
DoIT: Department of Information Technology
MDH: Maryland Department of Health
MOU: memorandum of understanding
SLEOLA: State Law Enforcement Officers Labor Alliance

Note: Numbers may not sum to total due to rounding. The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes contingent reductions, annual salary review adjustments, SLEOLA increments and general salary increase, and annualization of general salary increases.

Budget Reconciliation and Financing Act

Chapter 3 of 2019 amended Section 4-608 of the State Finance and Procurement Article to clarify that the State is mandated to appropriate a grant for the City of Annapolis for services that the city provides to State agencies.[1] The initial award was set at $750,000 in fiscal 2021, increasing annually thereafter by the Consumer Price Index for All Urban Consumers (CPI-U) for the Baltimore Metropolitan Statistical Area. Prior law was ambiguous in that it noted that the State is required to pay for refuse and other services but did not mandate a specific amount or define a formula and, from fiscal 1996 through 2019, the State provided a $367,000 grant for Annapolis. There was no grant in fiscal 2020. The fiscal 2021 budget appropriated $750,000 of which $367,000 was eliminated in cost containment. The fiscal 2022 allowance includes $750,000 but does not increase it by the CPI-U. The Budget Reconciliation and Financing Act (BRFA) of 2021 would reduce the grant by $383,000 and eliminate the inflation indexing, providing a $367,000 grant in perpetuity. The same proposal was made in the BRFA of 2020 and rejected by the legislature.

[1] DGS advises that the State owns 19 buildings with 1.8 million square feet and one parking garage with 720 parking spaces in Annapolis. The city estimated that it provided approximately $661,000 in State services in fiscal 2018. This includes the fire department maintaining a hazmat team and additional police expenses for services and special events.

Personnel Data

	FY 20 Actual	FY 21 Working	FY 22 Allowance	FY 21-22 Change
Regular Positions	641.00	639.00	646.00	7.00
Contractual FTEs	41.97	39.73	39.73	0.00
Total Personnel	**682.97**	**678.73**	**685.73**	**7.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions		51.63	8.08%	
Positions and Percentage Vacant as of 12/31/20		53.50	8.37%	
Vacancies Above (Below) Turnover		1.87		

- The 7.0 additional positions in fiscal 2022 are the positions proposed in the deficiency appropriation. They are 2.0 procurement officer II positions, 4.0 procurement officer III positions, and 1.0 procurement manager IV position. Annualized fiscal 2022 costs of salaries and fringe benefits total approximately $420,000.

Issues

1. State Procurement Response to the COVID-19 Pandemic

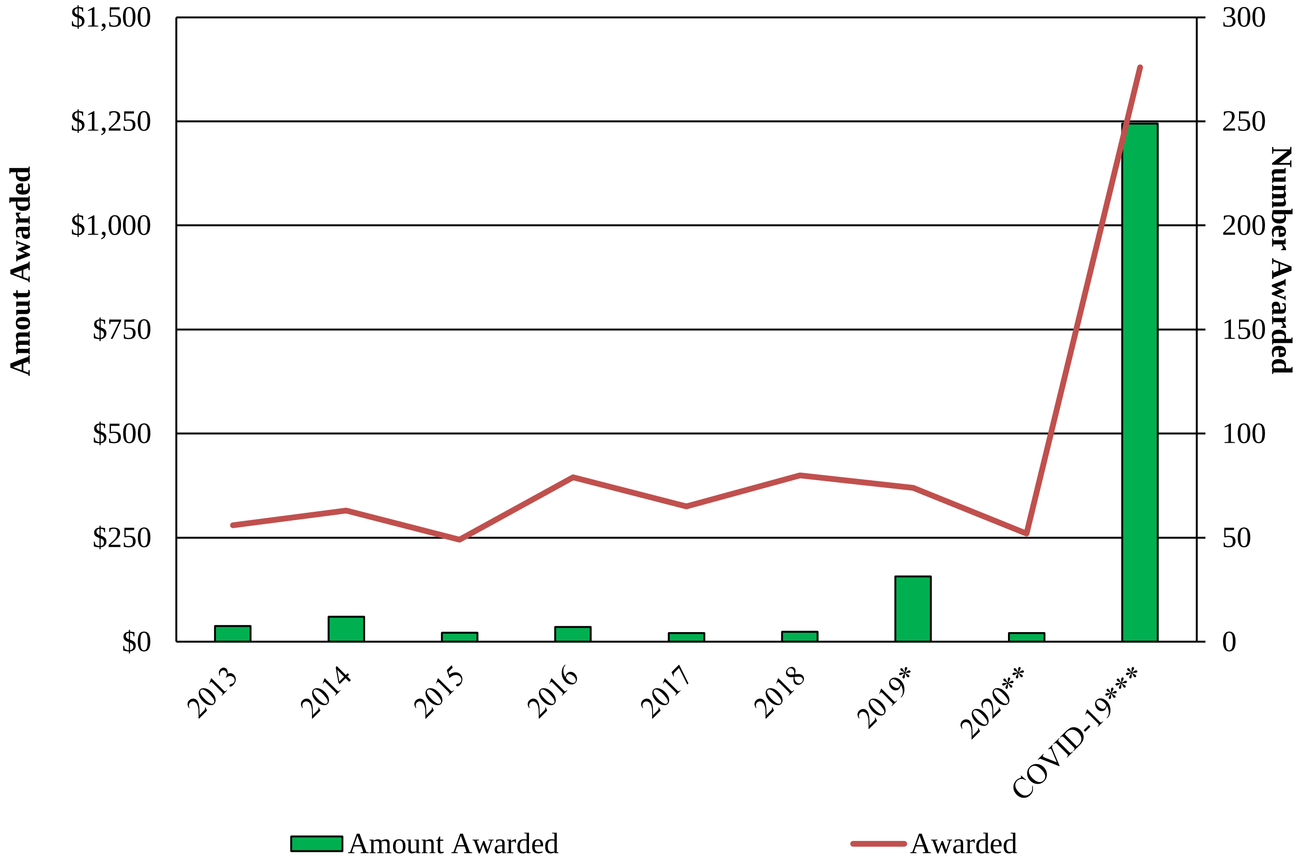
The COVID-19 pandemic led to a substantial increase in demand for supplies, equipment, and services. To meet this need, the State procured a range of health-related goods and services such as personal protective equipment, hand sanitizer, ventilators, test kits, beds, dividers, ambulance services, and call centers for contact tracing. Nonhealth procurements also increased, including tablets and laptops for remote work, additional software licenses, ballot drop-off boxes, and virtual call center agents for the Unemployment Division. These goods and services needed to be procured quickly in an environment in which the State was competing with other states, the federal government, private and nonprofit organizations, and foreign countries.

Use of the Emergency Procurement Method

The emergency procurement method was used to address the sharp increase in resources needed during the pandemic. This method allows a procurement officer to award or modify a contract solely on the approval of the agency head or designee. Competition is encouraged but not required. A procurement officer must limit such a purchase to only the items necessary to avoid or mitigate serious damage to public health, safety, or welfare. The award may purchase supplies, services, maintenance, commodities, construction, or construction-related services. Agencies do not need advance BPW approval. Agencies also need not post any advance notice in the eMaryland Marketplace Advantage (eMMA) system, discussed in **Appendix 3**, and they may waive MBE program requirements. After awarding or modifying a contract, the agency must publish notice of the award on eMMA within 30 days and report to BPW and OSP within 45 days.

In its 2021 report on emergency procurements, DLS' Office of Program Evaluation and Government Accountability (OPEGA), noted that, from fiscal 2013 to 2020, the State averaged less than $50 million per year in emergency procurements. The average number of annual procurements, excluding late fiscal 2020 COVID-19-related procurements, was 65. Since March 2020, DLS has also been tracking COVID-19-related emergency procurements. These emergency procurements are for contracts entered into in both fiscal 2020 and 2021 and were reported to BPW in fiscal 2021. **Exhibit 8** contrasts the normal level of emergency procurement between fiscal 2013 and 2020 with emergency procurement during the pandemic spanning fiscal 2020 to 2021. Unsurprisingly, the number of COVID-19-related emergency procurements is more than 4 times the average procurements, and the total awards and contract modifications are more than 26 times the average annual emergency procurement amount.

Exhibit 8
Emergency Procurements
Fiscal 2013-2020
($ in Millions)



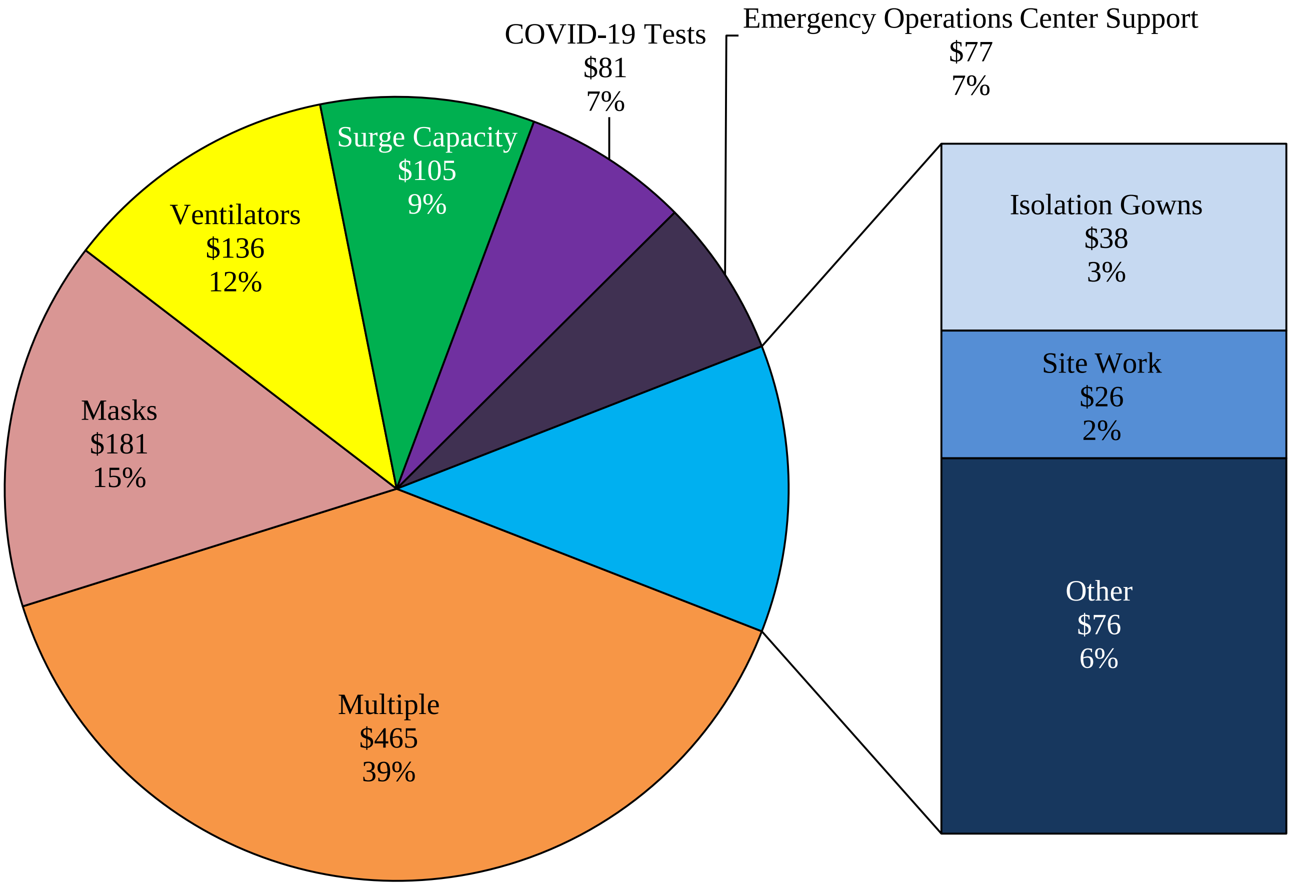
* Includes one contract for inmate medical care totaling $131.4 million.
** Excluding COVID-19-related emergency contracts.
*** Contracts entered into in fiscal 2020 and 2021 and reported to the Board of Public Works in fiscal 2021. This excludes non-COVID-19-related emergency contracts.

Note: Includes $165 million in canceled and withdrawn procurements.

Source: Board of Public Works; Department of Legislative Services

COVID-19-related procurements from contracts entered into in fiscal 2020 and 2021 include $1.186 billion in direct health response procurements and $59 million in indirect COVID-19 pandemic procurements. **Exhibit 9** provides a breakdown of the different kinds of direct health response procurements.

Exhibit 9
Direct Health Response Emergency Procurements
Fiscal 2020-2021
($ in Millions)

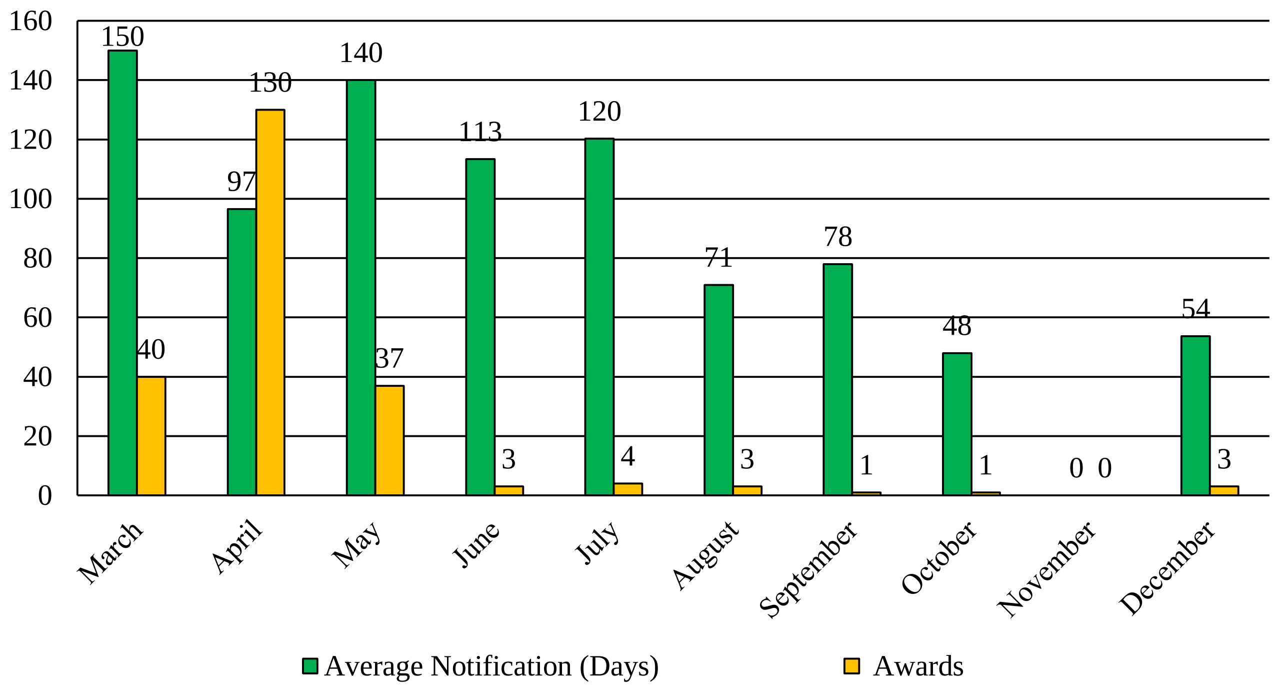


Note: Multiple procurements commonly include supplies like masks, hand sanitizers, and gowns; surge capacity includes tents, beds, and bed dividers; site work supports mobile medical facilities; and other includes surgical gowns, face shields, and protective coveralls.

Source: Board of Public Works; Department of Legislative Services

As previously mentioned, procurement regulation requires that emergency procurements are brought to BPW within 45 days of awarding the procurement. **Exhibit 10** shows that the average number of days from awarding a contract to BPW approval exceeded 45 days in all months with awards for the direct health response emergency procurements. Notification in March and May was over three times longer than the 45-day period.

Exhibit 10
BPW Notification of Direct Health Response Emergency Procurements
March to December 2020



BPW: Board of Public Works

Source: Board of Public Works; Department of Legislative Services

The purposes of procurement law include providing a framework whereby procurements allow the State to get maximum benefit from its purchasing power, fair and equitable treatment of all persons dealing with the State procurement system, safeguards for maintaining a State procurement system of quality and integrity, and confidence in State procurement. State procurement law recognizes that there is a need for expedited or emergency procurements. As such, State law authorizes the emergency procurement method but limits it to items necessary to avoid or mitigate serious damage to public health, safety, or welfare. This method allows agencies to suspend procurement rules in order to procure needed items or services more quickly.

The COVID-19 pandemic direct health response emergency procurements are allowable under the statute. While the emergency procurement method allows for an expedited procurement, this does involve suspending financial safeguards and policy goals, which can result in suboptimal awards. **Exhibit 11** shows that 12 awards totaling almost $165 million were canceled or withdrawn from BPW agendas.

Exhibit 11
Canceled or Withdrawn BPW Procurement Agenda Items
June 3, 2020 and September 2, 2020 Agendas
($ in Thousands)

Award Date	BPW Meeting Date	Vendor	Total Price or Modification	Item Category
March 24, 2020	June 3, 2020	Safeware, Inc.	$1,527	KN95/N95 Masks
April 5, 2020	June 3, 2020	Vanguard LED Displays, Inc.	43,700	Ventilators
April 20, 2020	June 3, 2020	Acute Care Gases II LLC	3,800	Ventilators
April 10, 2020	June 3, 2020	Shambliss Security LLC	13,300	Multiple[1]
April 14, 2020	June 3, 2020	Minibar North America	9,352	Multiple[2]
April 17, 2020	June 3, 2020	Atlantic Energy Solutions, Inc.	8,636	KN95/N95 Masks
April 1, 2020	June 3, 2020	BlueFlame Medical LLC	12,542	Multiple[3]
March 28, 2020	September 2, 2020	Government MLO Supplies	270	Surgical Masks
April 8, 2020	September 2, 2020	Blue Door Pharma	19,913	Ventilators
April 29, 2020	September 2, 2020	Global Specialty Services	37,375	KN95/N95 Masks
April 9, 2020	September 2, 2020	Ningbo	175	KN95/N95 Masks
April 13, 2020	September 2, 2020	Grainger	13,987	KN95/N95 Masks
Total			**$164,577**	

BPW: Board of Public Works

[1] Surgical masks, gowns, and goggles
[2] Hand sanitizer, face masks, and KN95 masks
[3] Ventilators and masks

Source: Board of Public Works; Department of Legislative Services

The department should be prepared to brief the committees on:

- **why so many emergency procurements were reported to BPW long after the required 45-day reporting period;**
- **the number and size of canceled or withdrawn awards; and**
- **actions that can be taken to expedite BPW reporting.**

Office of Performance Evaluation and Government Accountability Report on Emergency Procurements

OPEGA conducted a performance evaluation of the State's emergency procurement processes, laws, and regulations. In conducting this evaluation, OPEGA examined over 550 emergency procurement items submitted to BPW from fiscal 2013 through 2020. The emergency procurement report includes eight observations and 12 recommendations. This report evaluates all emergency procurements reported to the BPW from all agencies. While not addressing all of the issues raised in the report, this budget issue highlights key concerns about emergency procurements and recommendations addressing them in the report.

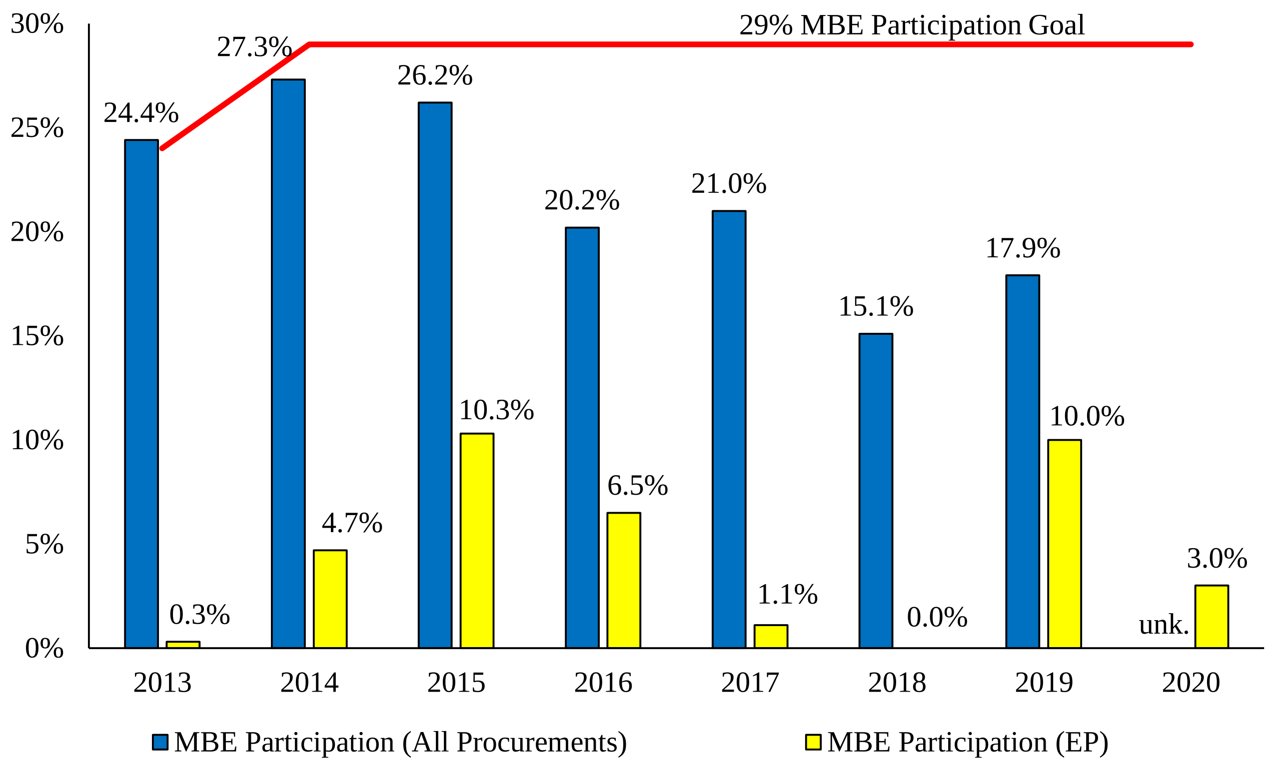
Concerns about Emergency Procurements

State procurement law balances the need for the State to get maximum benefit from its purchasing power as well as providing fair and equitable treatment of all persons dealing with the State procurement system. Emergency procurements suspend policies and financial safeguards that support these goals. As such, emergency procurements can lessen the State's ability to achieve both goals. A concern is that emergency procurements can result in both less value and less fair and equitable procurements because mitigating the emergency is the prime consideration in these instances. Specific concerns about emergency procurements observed in the report include:

- ***High Share of Single-bid Awards:*** According to the U.S. Government Accountability Office (GAO), "Competition is a critical tool for achieving the best possible return on investment for agencies and thereby taxpayers." GAO also notes that contracts awarded competitively that involve more sources "can help save money, improve contractor performance, curb fraud, and promote accountability for results." OPEGA's review of emergency procurements between fiscal 2013 and 2020 estimated that only 17% of emergency procurements were confirmed to have received multiple bids, while 59% were confirmed to have received a single bid, and 24% were unable to determine the number of bids.

- ***Lower MBE Participation:*** The State's MBE participation goal is that 29% of State contracting dollars go to registered minority businesses. The MBE participation goal is designed to increase subcontracting opportunities for MBEs in State procurement. However, due to their limited and time-sensitive nature, emergency procurements may inhibit MBE participation. As noted in **Exhibit 12**, MBE participation was lower for emergency procurements than all procurements generally.

Exhibit 12
MBE Participation: All Procurements Compared to Emergency Procurements
Fiscal 2013-2020



EP: emergency procurement
MBE: Minority Business Enterprise

Note: Fiscal 2020 MBE participation for all procurements was not available at the time of this writing. Although many COVID-19-related emergency contracts were awarded in fiscal 2020, most were not formally presented for Board of Public Works approval until fiscal 2021 and are not included in the data presented in this exhibit.

Source: Board of Public Works; Governor's Office of Small, Minority, and Women Business Affairs; Department of Legislative Services

Routine Use of Emergency Procurements: OPEGA observed differences in how agencies have tended to use the emergency procurement method during the eight years reviewed, with some agencies using emergency procurements much more routinely than others. The agencies with the most emergency procurements from fiscal 2013 to 2020 are the Department of Public Safety and Correctional Services (DPSCS) and DGS, who had a combined 272 emergency procurements. Maintenance-related procurements totaled 141, which is 52% of emergency procurements. This suggests that improved maintenance can reduce emergency procurements. This is discussed more in Issue 3.

Chief Procurement Officer Approval of All Emergency Procurements

Under the current procedures for the emergency procurement method, all contracts are awarded prior to BPW review. This lack of institutional control prior to contract award differs from the normal procurement process. The main reason for this is that the emergency situation requires immediate action that cannot adhere to the timetable of the normal procurement process.

OPEGA recommended adding an intermediate level of control at the early stages of these emergency procurement contracts in the form of advance approval by the chief procurement officer (CPO). CPO, or their designee, would have the responsibility of being an independent approval for use of the emergency procurement method. CPO or designee would do a review of the proposed emergency procurement to identify that it is in fact being used to address an emergency, that the procurement cannot be handled through the normal procurement process, and potentially identify any other issues with the procurement. Due to the immediate attention that emergencies require, CPO or designee would have to render a decision within a short period of time. If CPO or designee is unable to render a decision that quickly, then the agency should be able to complete the emergency procurement process without CPO or designee approval, and the process would revert back to the current procedure for emergency procurements but doing so would be treated as an unusual exception to the emergency procurement approval process.

Enact Legislation Allowing All State Agencies to Use the Expedited Procurement Method

The expedited procurement method is currently reserved for the Maryland Port Commission and the Maryland Aviation Administration. Procurement may be done on an expedited basis if the head of the unit and BPW find that:

- urgent circumstances require prompt action;
- an expedited procurement best serves the public interest; and
- the need for the expedited procurement outweighs the benefits of making the procurement on the basis of competitive sealed bids or competitive sealed proposals.

Unlike the emergency procurement method, an expedited procurement contract requires the agency to obtain BPW approval before awarding the contract. This allows BPW oversight prior to the award while still allowing for a faster procurement process when needed, although not as fast as the emergency procurement method, which can be completed in as little as one day. It is unclear how many, if any, of the emergency procurement contracts could have been handled through an expedited procurement process if the expedited method were made more accessible. However, to the extent that the expedited process can be substituted in certain situations, it would give more initial oversight to BPW prior to the agency awarding a contract. The distinction would still exist that emergency procurements could be the preferred method to handle situations involving a threat to public health, safety, or welfare.

Monitor Agencies More Carefully

There are concerns about the routine use of emergency procurements. With regard to emergency procurements, agency reports to BPW, BPW action agenda items, and departmental and CPO reports to the General Assembly should all be designed and consistently formatted to make clear:

- the agencies that most often use emergency procurements;
- patterns in the underlying causes that lead to its repeated use; and
- how emergency procurement hinders achieving the State's broader procurement policy goals such as maximizing competition and participation by underrepresented businesses.

Demanding such transparency communicates that emergency procurement should be the sourcing method of last resort and that repeated use of the method may point to opportunities for improved agency management.

Improved Preventive Maintenance

Facility maintenance has been a frequent reason that agencies use the emergency procurement method. In particular, OPEGA observed that DPSCS commonly submitted emergency procurements for maintenance. Maintenance has also been of ongoing concern to BPW. OPEGA observed that over the past eight years, BPW reviews of DPSCS emergency procurements repeatedly referenced equipment being beyond its useable life. To reduce its reliance on emergency procurements for maintenance, DPSCS and other repeat users of emergency procurement for maintenance should work with DGS to develop an ongoing preventive maintenance plan:

- work with DGS to develop an ongoing preventive maintenance plan;
- identify the resources needed to implement the plan; and
- update the General Assembly on the ongoing status of preventive maintenance plans, including short- and long-term needs for its facilities.

In addition, DGS should consider using eMaint (a computerized maintenance management system discussed in Issue 3) as a tool to anticipate and schedule preventive maintenance for DPSCS and other agencies to decrease use of the emergency procurement method for facility and maintenance issues. Presently, eMaint is only used for facilities operated by DGS. Expanding the use of eMaint could allow DPSCS and other agencies to better forecast and track maintenance requests before they become an emergency.

DGS should be prepared to brief the budget committees on the observations and recommendations in OPEGA's evaluation of emergency procurement.

2. State Office Needs: What Will Office Work Look Like?

The COVID-19 pandemic has had a transformative effect on office work. While many industries such as hospitality and entertainment have struggled to adapt, many industries that can accommodate their staff working remotely have been stable or growing. In the January 2021 *Fiscal Briefing*, DLS showed that income tax withholding for professional and business services as well as finance and insurance increased in calendar 2020 as compared to calendar 2019. Industries with the ability to have their employees work remotely have performed much better than those that cannot work remotely.

The State has also seen a substantial shift in the last year from working in offices to working remotely. Data from DBM show that the number of employees in the Executive Branch, excluding the Maryland Department of Transportation and higher education, working remotely[2] increased from 266 (0.8% of the workforce) in January 2020 to 14,981 (43.9% of the workforce) in July 2020. In January 2021, 15,449 employees (46.3% of the workforce) worked remotely.

This is a change that is bound to have some lasting effects. Anecdotal evidence suggests that many organizations and workers were reluctant to support working remotely prior to the pandemic. Moving so many workers from offices to remote work has given organizations first-hand experience with remote work. When the pandemic is over, many organizations will have over one year's data about the effectiveness of remote work. Organizations should have gained a better understanding of how to manage remote work effectively. Remote work should be more common after the pandemic is over than before the pandemic began.

However, it is unclear to what extent employees will want, and be allowed, to work remotely when the pandemic is over. There is also anecdotal evidence that many employees miss the daily face-to-face encounters with coworkers and the benefits of collaborating with their coworkers. Employers may also see value in employee collaborating and mentoring newer employees. This suggests that, while many workers will continue to work remotely, many workers will be returning to the office. One possible outcome is a hybrid schedule whereby workers work in the office on some days but work remotely on other days. For example, employees may not have their own offices, but rather reserve an office when they are working on campus.

Part of DGS' responsibilities is to provide office space for State employees. As such, the department is responsible for leasing office space and planning for the capital construction needs for State employees. It is likely that how many agencies use office space and what their office space needs are will be different after the pandemic than before. Some agency budgets already reflect lower rent expenses as agencies considers future office space needs.

Having over a year's experience with remote work should give agencies insights into how what works well and what does not. DGS should be taking the lead among State agencies about the future

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[2] A remote worker is a worker that can link their hardware, such as a laptop or tablet, into their agency's systems. This includes regular and contractual employees.

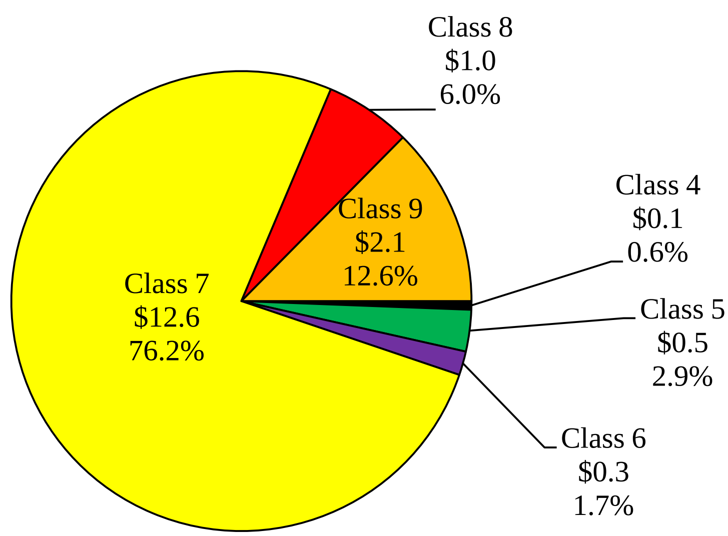
office space needs. **DLS recommends committee narrative requiring DGS to report on State office policies and needs.**

3. Facility Maintenance

Pursuant to Sections 4-407 and 4-408 of the State Finance and Procurement Article, DGS is required to establish and supervise a comprehensive and continuing program of maintenance and repair of all public improvements. DGS' maintenance of State facilities includes both critical maintenance funded through the operating budget and facilities renewal funded through the capital budget. Issues related to capital facilities renewal are discussed in the BPW capital budget analysis.

DGS evaluates and prioritizes maintenance projects. **Appendix 2** shows the priority classes, which are grouped into highest level, mid-level, and low-level classes. DGS advises that, as of January 2021, the operating budget critical maintenance backlog is $16.6 million. **Exhibit 13** shows that three-quarters of the projects are in class 7, *i.e.*, projects that are depreciating at an accelerating rate or are near the end of their useful life. Examples of Priority Class 7 projects include replacing sidewalks or removing peeling paint. This percentage is little changed from January 2020.

Exhibit 13
Priority Classes for Operating Critical Maintenance Backlog
January 2021
($ in Millions)



Note: See Appendix 2 for definitions.

Source: Department of General Services

To address facility maintenance needs, the State has increased funding for projects and improved facility maintenance management by creating a Building Assessment Unit (BAU).

Building Assessment Unit

The fiscal 2020 operating budget reconstituted a unit in DGS to evaluate State buildings. This unit, BAU, has 4 regular positions that assume a direct role in facility management. Prior to fiscal 2020, agency staff in the facilities would assess their facilities and inform DGS. Since the positions will be for capital maintenance project engineers and architects, they should have the requisite skills to provide accurate data for DGS' databases. Having trained engineers is also likely to provide better data than facilities managers whose experience and skill sets may be uneven.

DGS Contracted for Initial Assessment; Later Assessments Made by BAU Staff

After procuring a contractor for an initial assessment, BAU now conducts assessments in house. DGS anticipates that this will be slower than using contractors. BAU anticipates that statewide assessments, excluding Department of Natural Resources facilities, will be completed by the end of calendar 2022. This is over 1,100 buildings and almost 27 million square feet. DGS advises that a benefit to having in-house staff perform the assessments is improved relationships between using agencies and BAU.

DGS advises that the majority of items identified by BAU are near or past the end of their projected useful life. Most of the items are internal systems such as HVAC and mechanical, plumbing, and electrical, which are also a high percentage of the emergency declarations.

BAU has observed that "facilities with properly staffed and trained maintenance personnel are in better condition." Facilities having maintenance staff at one facility or agency for several years are in noticeably better condition, which can extend the life of major equipment. DGS has also observed a lack of routine maintenance. These observations highlight the importance of staffing in maintaining facilities.

Improved Software and New Priority Categories

DGS is organizing assessment data at a statewide level. An off-the-shelf, computer maintenance software system was purchased, referred to as eMaint. The system supports building lists, equipment lists, work order requests and Project Justification (PJ) requests. The system allows importing Microsoft Excel worksheets and can export data into a common platform. DGS manages the system for DGS facilities and has provided a few test secondary accounts for agencies to use for new project requests only, not for full use of maintenance work orders. This integrates DGS' daily maintenance management so that the system can generate work orders and monitor day-to-day maintenance activities. An improved system can reduce the number of costly emergencies. For example, it can track preventive maintenance contract durations and send an alert when a contract is "x" days from expiring, which will help ensure that preventative maintenance contracts are renewed and critical equipment maintenance will seamlessly continue. Additionally, the data can be used to proactively identify potential failures based on number and cost of work orders linked to each piece of equipment so that DGS will be able to see in real time if a piece of equipment is beginning to cost more to maintain and then project or establish a break point where investment in further equipment maintenance is not cost effective.

To reduce surprises, which can result in costly emergencies, BAU is putting procedures in place to capture building-level information, including equipment specifications that enable BAU to determine expected lifecycle based on current equipment age. Facility assessment data will be housed in eMaint, which has the ability to create alerts for Facility Managers at a set interval, for example, five years before the end of lifecycle. The Facility Manager can take appropriate action at that point, which should be well ahead of end of the lifecycle and submit a PJ for replacement. Additionally, through eMaint, BAU will have the capability to query this list to see the age of equipment on a statewide level, per agency, per campus, per regional area (multiagency), or per building so DGS understands need in real time.

DGS has also updated the 30-year-old ranking used to prioritize facility maintenance and renewal projects. The prior system had nine categories; these have been reduced to the following five categories by priority with 1 being the highest priority:

(1) serious prolonged impact on facility mission such as high risk of litigation, cessation of services, or reduction of mandated services;

(2) system or unit is prematurely deteriorating or causes the premature deterioration of a related asset;

(3) end of life expectancy;

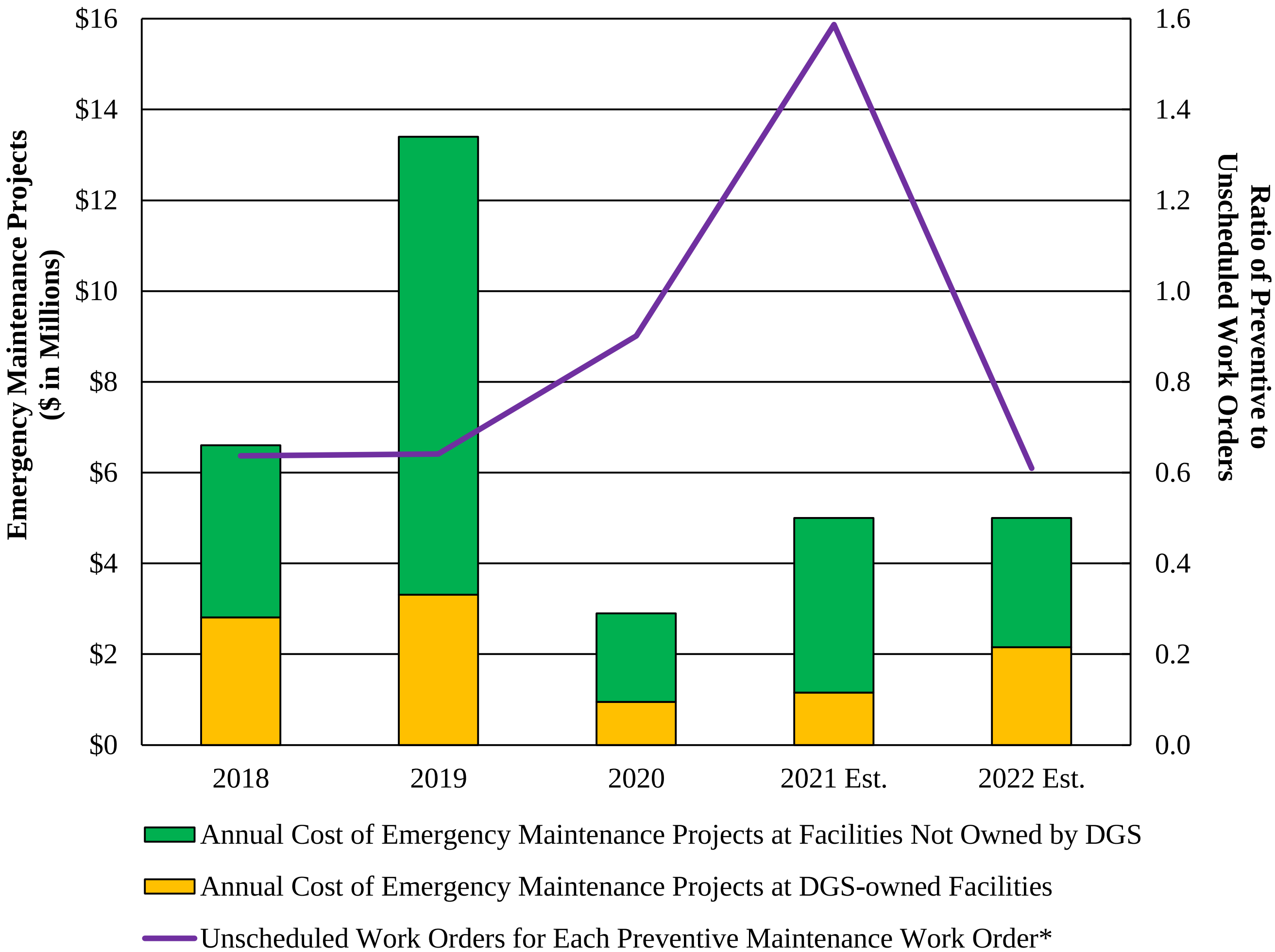
(4) restore to original design effectiveness; and

(5) system improvements or redesign.

Measuring If Maintenance Is Improving

If maintenance is managed more effectively, the number of emergency work orders should decline, and the cost of emergencies should also decline. BAU, which will be integrated with the new eMaint system that links DGS maintenance operations, should result in measureable improvements. DGS has an MFR objective to reduce the incidence and cost of emergency maintenance through timely, scheduled maintenance. MFR indicators have been developed. They are to increase the ratio of preventive maintenance to unscheduled work orders and to reduce the cost of annual emergency maintenance projects. **Exhibit 14** shows new indicators relating to the cost of emergency projects for DGS buildings and for non-DGS buildings. The exhibit also shows the ratio of preventive to unscheduled work orders for DGS buildings.

Exhibit 14
Facility Maintenance Indicators
Fiscal 2018-2022



DGS: Department of General Services

*Managing for Results indicator is the ratio of preventive to unscheduled (emergency) work orders. For this ratio, success is a high ratio since this keeps unscheduled work orders lower than scheduled maintenance. In this exhibit, this ratio is flipped so that unscheduled work orders are in the numerator and a low ratio indicates success. In this case, success is keeping all the data in the exhibit low.

Source: Department of Budget and Management

Operating Budget Recommended Actions

1. Adopt the following narrative:

Report on Remote Work at Maryland State Agencies: The COVID-19 pandemic has forced many State agencies to have their employees work remotely. The Department of Budget and Management advises that the number of Executive Branch employees working remotely increased from 266 (0.8% of the workforce) in January 2020 to 15,449 employees (46.3% of the workforce) in January 2021. While many employees will be returning to the office after the pandemic is over, it is likely that the experience of working remotely for over a year has given many organizations the confidence and ability to increase the share of their workforce that works remotely. At this time, too little is known about the lasting effects of remote work during the pandemic. The Department of General Services (DGS) is responsible for providing office space for State agencies. The department should begin evaluating how State agency office space needs will be affected by the pandemic. DGS should report to the budget committees on State office space needs and how these needs have changed. The report should include (1) surveys of State agency needs; (2) an examination of different kinds of office space needs for different agencies; (3) estimates of the number and share of State employees that will be working remotely, working both remotely and in the office, and working solely in the office; (4) strategies for reducing office space needs; and (5) the costs and benefits associated with reducing office space if the need for office space is less after the pandemic than before the pandemic. The cost benefit analysis should be over a five-year period to capture savings against the costs such as prematurely breaking leases.

Information Request	**Author**	**Due Date**
Report on remote work at Maryland State agencies	DGS	December 15, 2021

Updates

1. Housing Authority of the City of Annapolis Report Required for Release of Funds to City of Annapolis

Language attached to the fiscal 2021 appropriation for the Payment in Lieu of Taxes grant to the City of Annapolis withheld $40,000 until the establishment of a workgroup on the Housing Authority of the City of Annapolis, and the budget committees received a report on the conditions of public housing in Annapolis.

The City of Annapolis submitted a report to DLS in early January. A revised report was submitted on February 2, 2021.

2. Joint Audit and Evaluation Committee Requested Restricting Funds until DGS Addresses Repeat Audit Issues

The Joint Audit and Evaluation Committee has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. In its most recent audit, OSP has five repeat audit findings. The language withholds $100,000 of DGS' OSP fiscal 2021 budget pending the adoption of corrective actions by the agency and a determination by OLA that each finding was corrected. DGS advises that the department will respond to OLA by March 8, 2021.

Appendix 1
2020 *Joint Chairmen's Report* Responses from Agency

The 2020 *Joint Chairmen's Report* (JCR) requested that the Department of General Services (DGS) prepare one report. Electronic copies of the full JCR response can be found on the Department of Legislative Services Library website.

- ***Transparent Agency Office Moving Process:*** The budget committees asked DGS to develop a transparent process for notifying State employees when offices move in response to new or expiring leases. DGS advises that it lists the commercial lease request for proposal on its Office of Real Estate webpage and posts the proposals on eMaryland Marketplace Advantage, its procurement system, and advertises with *The Daily Record*.

Appendix 2
Priority Classes Defined by the Department of General Services' Office of Facility Planning, Design, and Construction

The prioritization process attempts to identify the consequences of not funding a project and bases the priority class on the following:

Highest Level: Serious prolonged impact on facility mission.

Class 1. High risk of litigation from failure to provide a mandated service.

Class 2. High risk of cessation of a mandated service.

Class 3. High risk of reduction of a mandated service.

Mid Level: Short-term impact on mission capability but a high level of economic risk.

Class 4. Fineable code violations, serious life or safety issues.

Class 5. Destruction of related assets.

Class 6. Accelerated deterioration of the asset, end of normal life expectancy.

Low Level: No impact on mission capability and low economic risk.

Class 7. Restoring an asset to its design effectiveness.

Class 8. Restoring an asset to design efficiency.

Class 9. Improving an asset above its original design effectiveness or efficiency.

Note: This applies to the data in the analysis but is being replaced in May 2021 by the classes discussed in Issue 3.

Source: Department of General Services

Appendix 3

eMaryland Marketplace eProcurement Solution

Major Information Technology Project

Department of General Services

New/Ongoing: Ongoing								
Start Date: 2018				**Est. Completion Date:** Fiscal 2023				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2021**	**2022**	**2023**	**2024**	**2025**	**Remainder**	**Total**
GF	$20.1	$5.5	$11.9	$4.5	$0.0	$0.0	$0.0	**$42.0**
SF	0.0	3.0	0.0	0.0	0.0	0.0	0.0	**$3.0**
Total	**$20.1**	**$8.5**	**$11.0**	**$4.5**	**$0.0**	**$0.0**	**$0.0**	**$45.0**

- ***Project Summary***: Implement a Statewide procurement system available to State agencies and vendors. This eProcurement system should provide a single, user-friendly portal for suppliers and end-users that supports a number of platforms, including smartphone mobile devices. The system should support public notices, sourcing, receiving, vendor self-service registration and management, solicitation development, bid document management, government-to-business online electronic punch-out catalogs, requisitioning, and a readily available data warehouse repository with reporting tools for appropriate public information. The system should also include management information systems to better track and manage procurements and should support the department's efforts to improve strategic purchases.

- ***Need:*** The system should provide a clear, accurate, and detailed account of procurements. In addition, the system should be able to provide management procurement reports so that strategic decisions can be made about procurements to improve efficiencies and other goals, such as Minority Business Enterprise (MBE) participation.

- ***Observations and Milestones:*** As of February 2021, the system can do the following: issue solicitations; receive electronic responses to solicitations; conduct bid analysis; verify small business certification; create, manage and sunset contracts; allow for electronic signatures on contracts; allow contracts to be routed through the contract's workflow; allow contracts to be stored in a repository; allow for contracts to be published; allow public search of published contracts; allow public search of solicitations; and allow public search of vendors.

- ***Changes:*** The project schedule has been rebaselined with a new schedule completing the project in fiscal 2023. Vendor management (Release 1.2) will deploy in September 2021 and includes supplier onboarding and vetting, document collection, supplier diversity management and MBE data, and integration with the State budget system (R*STARS). Requisition to pay (Release 2.0) is intended to be deployed in May 2022. This includes requisition workflow to purchase order (PO), PO transmission to vendors through four different channels, contract spending, integration with the State accounting system, and managing all invoices. Finally, the system will have the ability to communicate to FMIS whether or not to send payment to a supplier.

- ***Concerns*:** To be successful, the system must be user friendly for State agencies and the vendor community, integrate with State accounting and budgeting systems, and provide comprehensive management information system reports to the Office of State Procurement. The State has not done this effectively in the past, suggesting that this may be difficult.

Appendix 4
Object/Fund Difference Report
Department of General Services

Object/Fund	FY 20 Actual	FY 21 Working Appropriation	FY 22 Allowance	FY 21 - FY 22 Amount Change	Percent Change
Positions					
01 Regular	641.00	639.00	646.00	7.00	1.1%
02 Contractual	80.60	39.73	39.73	0.00	0%
Total Positions	**721.60**	**678.73**	**685.73**	**7.00**	**1.0%**
Objects					
01 Salaries and Wages	$ 56,312,417	$ 57,382,010	$ 58,906,553	$ 1,524,543	2.7%
02 Technical and Spec. Fees	2,295,299	1,648,082	1,688,995	40,913	2.5%
03 Communication	583,590	909,964	971,041	61,077	6.7%
04 Travel	141,327	74,512	54,131	-20,381	-27.4%
06 Fuel and Utilities	12,671,155	13,760,048	12,902,395	-857,653	-6.2%
07 Motor Vehicles	1,460,321	1,492,238	1,412,131	-80,107	-5.4%
08 Contractual Services	29,628,502	26,132,453	26,461,682	329,229	1.3%
09 Supplies and Materials	5,785,860	301,213,708	1,208,317	-300,005,391	-99.6%
10 Equipment – Replacement	184,722	15,004	116,318	101,314	675.2%
11 Equipment – Additional	-10,233,086	117,600	317,084	199,484	169.6%
12 Grants, Subsidies, and Contributions	367,000	367,000	750,000	383,000	104.4%
13 Fixed Charges	4,504,074	4,399,452	4,633,476	234,024	5.3%
14 Land and Structures	11,368,051	9,098,125	8,694,964	-403,161	-4.4%
Total Objects	**$ 115,069,232**	**$ 416,610,196**	**$ 118,117,087**	**-$ 298,493,109**	**-71.6%**
Funds					
01 General Fund	$ 73,896,684	$ 76,086,999	$ 78,168,971	$ 2,081,972	2.7%
03 Special Fund	3,640,365	4,918,792	3,661,089	-1,257,703	-25.6%
05 Federal Fund	1,423,032	1,478,371	1,481,044	2,673	0.2%
09 Reimbursable Fund	36,109,151	334,126,034	34,805,983	-299,320,051	-89.6%
Total Funds	**$ 115,069,232**	**$ 416,610,196**	**$ 118,117,087**	**-$ 298,493,109**	**-71.6%**

The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes contingent reductions, annual salary review adjustments, State Law Enforcement Officers Labor Alliance increments and general salary increase, and annualization of general salary increases.

Appendix 5
Fiscal Summary
Department of General Services

Program/Unit	FY 20 Actual	FY 21 Wrk Approp	FY 22 Allowance	Change	FY 21 - FY 22 % Change
0A Office of the Secretary	$ 4,197,973	$ 304,405,299	$ 4,616,568	-$ 299,788,731	-98.5%
0B Office of Facilities Security	18,818,357	19,135,425	18,591,246	-544,179	-2.8%
0C Office of Facilities Operations and Maintenance	54,955,636	55,326,772	57,859,114	2,532,342	4.6%
0D Office of State Procurement	8,295,654	10,142,469	9,234,013	-908,456	-9.0%
0E Office of Real Estate	3,086,052	3,019,883	2,936,838	-83,045	-2.7%
0G Office of Facilities Planning, Design, and	21,173,945	19,010,493	19,233,052	222,559	1.2%
0H Business Enterprise Administration	4,541,615	5,569,855	5,646,256	76,401	1.4%
Total Expenditures	**$ 115,069,232**	**$ 416,610,196**	**$ 118,117,087**	**-$ 298,493,109**	**-71.6%**
General Fund	$ 73,896,684	$ 76,086,999	$ 78,168,971	$ 2,081,972	2.7%
Special Fund	3,640,365	4,918,792	3,661,089	-1,257,703	-25.6%
Federal Fund	1,423,032	1,478,371	1,481,044	2,673	0.2%
Total Appropriations	**$ 78,960,081**	**$ 82,484,162**	**$ 83,311,104**	**$ 826,942**	**1.0%**
Reimbursable Fund	$ 36,109,151	$ 334,126,034	$ 34,805,983	-$ 299,320,051	-89.6%
Total Funds	**$ 115,069,232**	**$ 416,610,196**	**$ 118,117,087**	**-$ 298,493,109**	**-71.6%**

The fiscal 2021 appropriation includes deficiencies and general salary increases. The fiscal 2022 allowance includes contingent reductions, annual salary review adjustments, State Law Enforcement Officers Labor Alliance increments and general salary increase, and annualization of general salary increases.