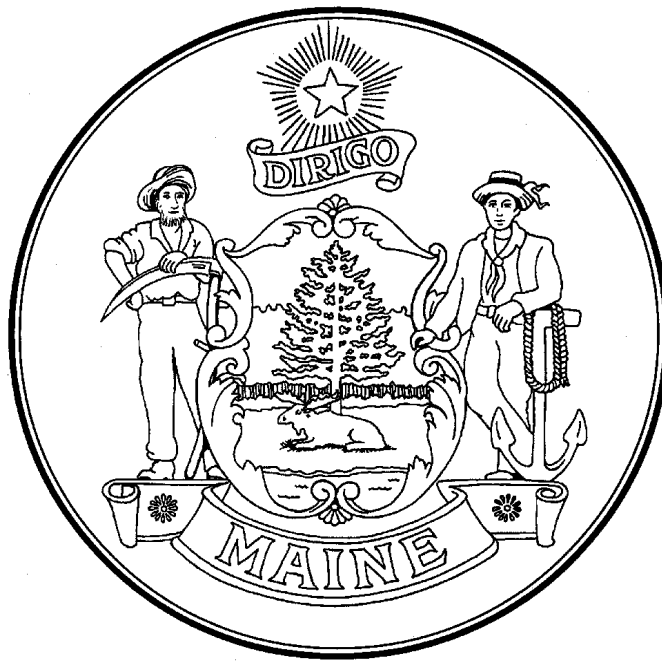


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STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES

Bureau of the Budget
State House Station #58
Augusta, Maine 04333

DATE: April 25, 2012

TO: Senator Richard W. Rosen, Chair
Representative Patrick S. A. Flood, Chair
Members, Joint Standing Committee on Appropriations and Financial Affairs

FROM: Dawna Lopatosky, State Budget Officer *DL*
Department of Administrative and Financial Services

SUBJECT: Second Report on Central Service Savings

On January 26th I provided a report on the transfer of savings in the procurement of goods and services from improvements in contracting with vendors and the use of procurement cards as authorized in Public Law 2011, chapter 380, Part R. The initial report identified savings in the procurement of coarse paper, copy paper, printer leases and technology services. This report and the attached listing adds savings from unused balances of contracts, specifically state agency client contracts, as explained by Commissioner Bowen and Commissioner Millett during recent supplemental budget work sessions.

▪ ***Projected Balance Capture from State Contracts***

While the review of agency contracts by the Division of Purchases covered all agencies, the primary focus was on agencies that had certain programmatic contracts that are issued each year. Spending for state agency clients has been less than projected in recent years. Public Law 2011, chapter 655, reduced the budget for the General Purpose Aid for Local Schools account to better align the state agency client budget with actual spending. As explained during the work session, to avoid double-counting the savings, unencumbered balances in the General Purpose Aid for Local Schools account accumulated through the end of fiscal year 2010-11 will provide the amounts needed to achieve the total savings identified in Public Law 2011, chapter 380, Part R. This action allows for the capture of General Fund savings of \$1,774,503 in fiscal year 2011-12 and \$1,783,567 in fiscal year 2012-13.

Previously reported:

- ***Re-competition of "Coarse Paper" (toilet paper, tissue, towel) Contracts***
The Division of Purchases worked with the Division of Central Services / Central Warehouse to release their statewide "coarse paper" contract for competition, resulting in discounts for the materials (such as toilet paper, tissue, and towel) found in agency facilities across the State. The "discounts" are relative to the price previously paid for these materials. This action results in General Fund savings of \$23,207 in fiscal year 2011-12 and in fiscal year 2012-13.

- ***Direct Office/Copy Paper Purchasing (vs. Central Warehouse delivery)***
The Division of Purchases worked with the Division of Central Services / Central Warehouse to analyze data comparing the delivered price of office/copy paper between the Central Warehouse and a third-party vendor. The vendor was already under contract with the State to provide office supplies and office/copy paper, and to do so on a next-day-delivery basis. From a pricing perspective, it was found to be more advantageous for State agencies to purchase office/copy paper from the vendor, rather than source it from the State's Central Warehouse. This action results in General Fund savings of \$37,015 in fiscal year 2011-12 and in fiscal year 2012-13.

- ***Re-competition of Statewide Printer Lease Agreement***
The Division of Purchases worked with the Central Printing Office to release their statewide printer lease agreement for competition, resulting in discounts for the office equipment (such as multifunction copying machines) that is found in agency offices across the State. The "discounts" are relative to the price previously paid for the lease of this equipment. This action results in General Fund savings of \$155,275 in fiscal year 2011-12 and \$156,211 in fiscal year 2012-13.

- ***Re-negotiated Labor Rates for Corrections' "CORIS" IT System***
The implementation of the temporary IT services contract has allowed the Division of Purchases to better understand the IT labor market, and work with agencies to re-negotiate other IT contracts that fall outside of the temporary IT services contract. The Division of Purchases worked with the Department of Corrections to receive a discounted price on their IT contract for the CORIS offender management system. This action results in General Fund savings of \$10,000 in fiscal year 2011-12.

Please contact me if you have any questions related to this matter.

cc: H. Sawin Millett Jr., Commissioner Department of Administrative and Financial Services
Office of Fiscal and Program Review

**Public Law 2011 Chapter 380 Part R
Central Service Savings**

Dept	Department	Account	Account Title		2012	2013
ADM00	ADMIN & FIN SVCS	01018A005701	BPI PLANNING & CONSTRUCTION	C R 9044 200	(714)	(714)
ADM00	ADMIN & FIN SVCS	01018A008001	BPI BUILDING OPERATIONS	C R 9044 200	(4,387)	(4,387)
ADM00	ADMIN & FIN SVCS	01018F000207	MAINE REVENUE SERVICES	C R 9044 200	(2,972)	(2,972)
ADM00	ADMIN & FIN SVCS	01018F005501	BUREAU OF THE BUDGET	C R 9044 200	(513)	(513)
ADM00	ADMIN & FIN SVCS	01018F005601	OFFICE OF THE STATE CONTROLLER	C R 9044 200	(965)	(965)
ADM00	ADMIN & FIN SVCS	01018F071801	OFFICE OF THE COMMISSIONER - DAFS	C R 9044 200	(897)	(897)
ADM00	ADMIN & FIN SVCS	01018H003801	HUMAN RESOURCES	C R 9044 200	(439)	(439)
ADM00	ADMIN & FIN SVCS	01018P000701	BUREAU OF PURCHASES	C R 9044 200	(874)	(874)
AGR00	AGRICULTURE	01001A040101	ADMINISTRATION-AGRICULTURE	C R 9044 200	(532)	(532)
ARV00	ARTS COMM	01094W017837	ARTS & HUMANITIES ADMINISTRATI	C R 9044 200	(331)	(331)
ATT00	ATTORNEY GENERAL	01026A003901	CIVIL RIGHTS	C R 9044 200	(13,241)	(13,241)
AUD00	AUDIT	01027A006701	AUDIT DEPARTMENTAL BUREAU	C R 9044 200	(2,370)	(2,370)
BEH00	HHS (BDS)	01014A012102	BUREAU OF MENTAL HEALTH	C R 9044 200	(2,513)	(2,513)
BEH00	HHS (BDS)	01014A012260	DEVELOPMENTAL SVCS COMMUNITY	C R 9044 200	(3,142)	(3,142)
BEH00	HHS (BDS)	01014A013607	BUR CHILDREN SPECIAL NEEDS	C R 9044 200	(736)	(736)
BEH00	HHS (BDS)	01014B010550	RIVERVIEW PSYCHIATRIC CENTER	C R 9044 200	(6,568)	(6,568)
BEH00	HHS (BDS)	01014B073310	DISPROPORTIONATE SHARE - RIVERVIEW	C R 9044 200	(1,297)	(1,297)
BEH00	HHS (BDS)	01014C012055	DOROTHEA DIX PSYCHIATRIC CENTER	C R 9044 200	(10,218)	(10,218)
BEH00	HHS (BDS)	01014G067901	OFFICE OF SUBSTANCE ABUSE	C R 9044 200	(1,600)	(1,600)
BEH00	HHS (BDS)	01014G070001	DRIVER ED & EVALUATION PROG	C R 9044 200	(741)	(741)
CON00	CONSERVATION	01004A022133	PARKS GENERAL OPERATIONS	C R 9044 200	(2,961)	(2,961)
CON00	CONSERVATION	01004A022356	ADMINISTRATION - FORESTRY	C R 9044 200	(35)	(35)
CON00	CONSERVATION	01004A023253	DIVISION OF FOREST PROTECTION	C R 9044 200	(2,632)	(2,632)
CON00	CONSERVATION	01004A023352	FOREST HEALTH AND MONITORING	C R 9044 200	(233)	(233)
CON00	CONSERVATION	01004A023691	MAINE LAND USE REG. COMMISSION	C R 9044 200	(1,749)	(1,749)
CON00	CONSERVATION	01004A023761	MAINE GEOLOGICAL SURVEY	C R 9044 200	(359)	(359)
CON00	CONSERVATION	01004A024051	DIVISION OF FOREST MANAGEMENT	C R 9044 200	(652)	(652)
CON00	CONSERVATION	01004A082114	NATURAL AREAS	C R 9044 200	(520)	(520)
CON00	CONSERVATION	01004AZ03001	MAINE CONSERVATION CORPS	C R 9044 200	(8)	(8)
COR00	CORRECTIONS BD	01095EZ08701	STATE BOARD OF CORRECTIONS INVESTMENT FUND	C R 9044 200	(205)	(205)
COS00	CORRECTIONS	01003A012401	ADULT COMMUNITY CORRECTIONS	C R 9044 200	(7,007)	(7,007)
COS00	CORRECTIONS	01003A014101	DEPARTMENT OF CORRECTIONS	C R 9044 200	(2,429)	(2,429)
COS00	CORRECTIONS	01003A014101	DEPARTMENT OF CORRECTIONS	C R 9045 200	(10,000)	
COS00	CORRECTIONS	01003A089201	COMMUNITY CORRECTIONS - JUVENILE	C R 9044 200	(7,225)	(7,225)
COS00	CORRECTIONS	01003B014401	MAINE STATE PRISON	C R 9044 200	(15,252)	(15,252)
COS00	CORRECTIONS	01003C016201	MAINE CORRECTIONAL CENTER	C R 9044 200	(7,135)	(7,135)
COS00	CORRECTIONS	01003C039201	CTRL MAINE PRE-RELEASE CENTER	C R 9044 200	(576)	(576)
COS00	CORRECTIONS	01003D054201	DOWNEAST CORRECTIONAL FACILITY	C R 9044 200	(3,835)	(3,835)
COS00	CORRECTIONS	01003E040001	CHARLESTON CORRECTIONAL FAC	C R 9044 200	(3,662)	(3,662)
COS00	CORRECTIONS	01003E085701	MOUNTAIN VIEW YOUTH DEVELOPMENT CENTER	C R 9044 200	(2,426)	(2,426)

**Public Law 2011 Chapter 380 Part R
Central Service Savings**

Dept	Department	Account	Account Title		2012	2013
COS00	CORRECTIONS	01003F016301	LONG CREEK YOUTH DEVELOPMENT CENTER	C R 9044 200	(5,972)	(5,972)
DEF00	DEFENSE	01015A010810	MILITARY TRAINING/OPERATIONS	C R 9044 200	(469)	(575)
DEF00	DEFENSE	01015A011010	SERVICE TO VETERANS	C R 9044 200	(2,301)	(3,131)
DEF00	DEFENSE	01015A021410	ME EMERGENCY MANAGEMENT AGENCY	C R 9044 200	(201)	(201)
ECC00	ECON & COMM DEV	01019A006901	ECONOMIC & COMMUNITY DEV ADMIN	C R 9044 200	(642)	(642)
EDU00	EDUCATION	01005A030809	GENERAL PURPOSE AID FOR LOCAL SCHOOLS	C R 9044 200	(47)	(47)
EDU00	EDUCATION	01005A030809	GENERAL PURPOSE AID FOR LOCAL SCHOOLS	C R 9047 200	(1,774,503)	(1,783,567)
EDU00	EDUCATION	01005A036421	ADULT EDUCATION	C R 9044 200	(18)	(18)
EDU00	EDUCATION	01005AZ07769	LEADERSHIP	C R 9044 200	(113)	(113)
EDU00	EDUCATION	01005AZ07871	SCHOOL FIN & OPERATIONS	C R 9044 200	(130)	(130)
EDU00	EDUCATION	01005AZ08173	PK-20 CURRICULUM, INSTRUCTION, & ASSESSMENT	C R 9044 200	(64)	(64)
ENV00	ENVIRONMENTAL PROT	01006A024710	HAZ WASTE MGMT PROGRAMS	C R 9044 200	(1,605)	(1,605)
ENV00	ENVIRONMENTAL PROT	01006A024810	LAND AND WATER QUALITY CONTROL PROGRAMS	C R 9044 200	(4,060)	(4,060)
ENV00	ENVIRONMENTAL PROT	01006A025010	AIR QUALITY CONTROL PROGRAMS	C R 9044 200	(658)	(658)
EXE00	EXECUTIVE	01007A007204	BLAINE HOUSE	C R 9044 200	(298)	(298)
EXE00	EXECUTIVE	01007A016504	GOVERNOR'S OFFICE	C R 9044 200	(1,514)	(1,514)
HUM00	HUMAN SERVICES	01010A010001	CHILD SUPPORT	C R 9044 200	(467)	(467)
HUM00	HUMAN SERVICES	01010A012901	BUR OF MEDICAL SERVICE	C R 9044 200	(7,540)	(7,540)
HUM00	HUMAN SERVICES	01010A014001	OFFICE OF ELDER SERVICES CENTRAL OFFICE	C R 9044 200	(1,503)	(1,503)
HUM00	HUMAN SERVICES	01010A014201	OFFICE OF MANAGEMENT & BUDGET	C R 9044 200	(6,759)	(6,759)
HUM00	HUMAN SERVICES	01010A014301	BUREAU OF HEALTH	C R 9044 200	(686)	(686)
HUM00	HUMAN SERVICES	01010A019601	OMB DIV OF REG BUSINESS OPERATIONS	C R 9044 200	(31,715)	(31,715)
HUM00	HUMAN SERVICES	01010A030701	CHILD & FAMILY SERVICES - CENTRAL	C R 9044 200	(1,049)	(1,049)
HUM00	HUMAN SERVICES	01010A045201	CHILD & FAMILY SVCS - REGIONAL	C R 9044 200	(730)	(730)
HUM00	HUMAN SERVICES	01010A045301	FAMILY INDEPENDENCE - REGION	C R 9044 200	(165)	(165)
HUM00	HUMAN SERVICES	01010AZ00801	MATERNAL AND CHILD HEALTH BLOCK GRANT MATCH	C R 9044 200	(372)	(372)
HUM00	HUMAN SERVICES	01010AZ02001	OFFICE FOR FAMILY INDEPENDENCE	C R 9044 200	(3,263)	(3,263)
HUM00	HUMAN SERVICES	01010AZ03501	DIV OF PURCHASED SVCS	C R 9044 200	(1,231)	(1,231)
HUM00	HUMAN SERVICES	01010AZ03601	DIVISION OF LICENSING & REGULATORY SVCS	C R 9044 200	(2,269)	(2,269)
HUM00	HUMAN SERVICES	01010AZ03701	DIVISION OF DATA, RESEARCH & VITAL STATISTICS	C R 9044 200	(12)	(12)
HUM00	HUMAN SERVICES	01010AZ04001	ADULT PROTECTIVE SERVICES	C R 9044 200	(49)	(49)
IND00	INDIGENT LEGAL SVCS	01095FZ11201	MAINE COMMISSION - INDIGENT LEGAL SVCS	C R 9044 200	(406)	(406)
INL00	INLAND FISH & WILDLIFE	01009A052901	OFFICE OF THE COMMISSIONER IFW	C R 9044 200	(14)	(14)
INL00	INLAND FISH & WILDLIFE	01009A053001	ADMINISTRATIVE SERVICES	C R 9044 200	(6,255)	(6,255)
INL00	INLAND FISH & WILDLIFE	01009A053101	LICENSE & REGISTRATION	C R 9044 200	(209)	(209)
INL00	INLAND FISH & WILDLIFE	01009A053401	RESOURCE MGT - WILDLIFE	C R 9044 200	(85)	(85)
INL00	INLAND FISH & WILDLIFE	01009A053501	RESOURCE MANAGEMENT	C R 9044 200	(156)	(156)
INL00	INLAND FISH & WILDLIFE	01009A053701	WARDEN SERVICE	C R 9044 200	(71)	(71)
INL00	INLAND FISH & WILDLIFE	01009A072901	PUBLIC INFO & EDUC - IF&W	C R 9044 200	(5)	(5)
LAB00	LABOR	01012A079966	REHAB SERVICES	C R 9044 200	(823)	(823)

**Public Law 2011 Chapter 380 Part R
Central Service Savings**

Dept	Department	Account	Account Title		2012	2013
LAB00	LABOR	01012D016020	MAINE LABOR RELATIONS BOARD	C R 9044 200	(230)	(230)
LIB00	LIBRARY	01094Q021741	LIBRARY & DEVELOPMENT SERVICES	C R 9044 200	(654)	(654)
MAR00	MARINE RESOURCES	01013A002701	BUREAU OF RESOURCE MANAGEMENT	C R 9044 200	(3,039)	(3,039)
MAR00	MARINE RESOURCES	01013A002940	BUREAU OF MARINE PATROL	C R 9044 200	(1,066)	(1,066)
MAR00	MARINE RESOURCES	01013A025810	OFFICE OF THE COMMISSIONER	C R 9044 200	(2,696)	(2,696)
MAR00	MARINE RESOURCES	01013AZ04901	SEA RUN FISHERIES & HABITAT	C R 9044 200	(33)	(33)
MUS00	MUSEUM	01094M018043	MUSEUM ADMINISTRATION	C R 9044 200	(672)	(672)
PUS00	PUBLIC SAFETY	01016A010101	CAPITOL POLICE	C R 9044 200	(256)	(256)
PUS00	PUBLIC SAFETY	01016A029101	STATE POLICE	C R 9044 200	(3,840)	(3,840)
PUS00	PUBLIC SAFETY	01016A029301	LIQUOR LICENSING	C R 9044 200	(7)	(7)
PUS00	PUBLIC SAFETY	01016A038801	DRUG ENFORCEMENT AGENCY	C R 9044 200	(4,031)	(4,031)
PUS00	PUBLIC SAFETY	01016A048501	EMERGENCY MEDICAL SERVICES	C R 9044 200	(29)	(29)
PUS00	PUBLIC SAFETY	01016AZ00201	GAMBLING CONTROL BOARD	C R 9044 200	(823)	(823)
TRE00	TREASURY	01028A002201	TREASURY DEPARTMENT OPERATIONS	C R 9044 200	(244)	(244)
					(2,000,000)	(2,000,000)
ADM00	ADMIN & FIN SVCS	01018F001644	STATEWIDE - CENTRAL SERVICES	C R 9044 400	215,497	216,433
ADM00	ADMIN & FIN SVCS	01018F001644	STATEWIDE - CENTRAL SERVICES	C R 9046 400	10,000	
ADM00	ADMIN & FIN SVCS	01018F001644	STATEWIDE - CENTRAL SERVICES	C R 9047 400	1,774,503	1,783,567
					<u>0</u>	<u>0</u>

C-R-9044 Distributes savings from the procurement of goods and services. (paper and copiers)

C-R-9045 Distributes savings from the procurement of goods and services. (IT labor rates CORIS System)

C-R-9047 Distributes savings from the procurement of goods and services. (unused state contracts)