

MAINE STATE LEGISLATURE

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STATE OF MAINE
DEPARTMENT OF ADMINISTRATIVE & FINANCIAL SERVICES
BUREAU OF GENERAL SERVICES
BURTON M. CROSS BUILDING
4TH FLOOR, 77 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0077

JANET T. MILLS
GOVERNOR

KIRSTEN LC FIGUEROA
COMMISSIONER

ELAINE CLARK
ACTING DIRECTOR

To: The Joint Standing Committees on Appropriations and Financial Affairs
and State and Local Government
From: Elaine Clark, Acting Director, Bureau of General Services and Deputy Commissioner, DAFS
RE: Statutory Reports
Date: April 5, 2021

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 maintenance; 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 maintenance; 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 (FY20) and the current fiscal year (FY21)
- Money expended during the most recently completed (FY20) and the current fiscal year (FY21), by project

2. Status of capital projects undertaken or completed during the most recently completed fiscal year (FY20)

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

The Bureau of General Services expended \$4,653,788.37 in capital construction improvement funds on capital projects in FY20. These were:

- Two major renovations at 19 Union Street and the Greenlaw Building at the East Campus, future location of an expanded HETL lab
- Several studies including Department of Education space planning, program analysis for a possible future IF&W headquarters building, a structural assessment of 221 State Street, and a possible new location for Central Services
- Abatement of hazardous materials, air quality testing, and demolition of the obsolete Downeast Correctional Facility
- Building envelope work to address a roof issue at the Tyson Building and partial funding of roof replacement at the State Police Crime Lab and the Office of Chief Medical Examiner
- Replacement of failed boiler tubes at the Cross Building and a clean-up after a frozen pipe caused a major flood inside the building
- Fit-up of new and expanded space for OPEGA in the Cross Building
- Installation of a generator at the primary Building Control location
- Replacement of cracked and uneven sidewalks on the south end of the Cross Building
- Installation of solar panels and a solar tracker at the Blaine House

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

Project Name	Expended FY20	Project Status
Environmental Testing and Hazardous Materials Removal	\$ 39,426.50	Completed
Office of Chief Medical Examiner's Roof Replacement Project	\$ 7,726.10	Completed
Williams Pavilion Bat Guano Deterrence Project	\$ 15,000.00	Completed
Cross State Office Building Water Damage Mitigation Project	\$ 47,008.88	Completed
Tyson Building Skylight Removal Project	\$ 27,485.00	Completed
19 Union Street Renovation Project	\$ 1,825,662.77	Completed
15 Columbia Street Generator Installation Project	\$ 52,607.00	Completed
Renovations for OPEGA relocations in Cross State Office Building	\$ 37,700.00	Completed
Maine State Police Crime Lab Roof Replacement Project	\$ 20,752.50	Completed
Blaine House Solar Panel Project	\$ 62,915.00	Completed
Cross State Office Building Sidewalk Repair Project	\$ 14,500.00	Completed
Project Study to relocate Central Services from Leased to State space	\$ 77,938.00	Completed
Cross State Office Building Boiler Tube Replacement Project	\$ 35,850.00	Completed
221 State Street Structural Assessment	\$ 24,970.00	Completed
Department of Education Space Planning Studies	\$ 24,978.17	Completed
Downeast Correctional Demolition and Abatement Project	\$ 75,458.45	Completed
Inland Fisheries and Wildlife (IF&W) Headquarters Building Study	\$ 6,922.00	Active and Ongoing
Greenlaw Building Renovation for Health and Environmental Testing Lab	\$ 2,256,888.00	Active and Ongoing
TOTAL	\$ 4,653,788.37	

B. Maine Governmental Facilities Authority Projects FY20

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, allows 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 20 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.

- Replaced 50-year old boilers at East Campus steam plant with smaller boilers to adjust supply to fluctuating demands
- Started replacement of outdated mechanical equipment serving the second floor of the Marquardt Building at East Campus
- Replaced 2 of 4 outdated chillers on the Cross Office Building
- Replaced Cultural Building roof
- Replaced roof at 10 Water Street, Hallowell, former "BABLO" Building
- Started renovations to Greenlaw Building, East Campus, for HETL Lab
- Conducted environmental testing and hazardous materials removal at the Cultural Building
- Rebuilt roads and parking lots, East Campus
- Started new construction at Maine Correctional Center, Windham

The cost of these capital improvements and the project status is below:

MGFA		
Marquardt Building 2nd Floor Bathroom Upgrades	\$ 20,042.80	2014B
Marquardt Building 2nd Floor HVAC Upgrades	\$ 2,050.00	2014B
Environmental Testing and Hazardous Materials Removal	\$ 691.25	2014B
Greenlaw Building Renovation	\$ 1,115,127.54	2015B
East Campus Parking Lot Repairs	\$ 1,220,724.00	2015B
Deering and Greenlaw Design	\$ 794,107.00	2015B
Hazardous Materials and Asbestos Testing at Cultural Building	\$ 11,924.00	2015B
Cultural Building Roof Renovation Project	\$ 788,320.00	2018A
10 Water Street Roof Replacement Project	\$ 875,253.00	2018A
East Campus Boiler Replacement Project	\$ 1,031,616.00	2018A
Department of Corrections	\$ 17,631,283.20	2017A, 2018A
TOTAL	\$ 23,491,138.79	

3. Status of Capital Projects Undertaken or Completed in the Current Fiscal Year FY21

A. Capital Construction Improvement Reserve Funds FY21

The Bureau of General Services expended \$176,422.13 on capital projects through the date of this report in FY21. The low expenditure in FY21 was in part the result of caution under the circumstances. BGS did not want to be out of funds for a broken pipe, a failed boiler, leaking roof, or other disaster, so we had to postpone several non-emergency but important projects such as roof work, paving, lighting updates and infrastructure upgrades. BGS still has close to \$1 million held in stewardship for emergency repairs, unknown Covid issues and the uncertainty of ongoing funding for such efforts.

First, Public Law 2015, chapter 267, Part L-8 amended the statute that prioritized year end transfers, otherwise known as “the cascade”, by eliminating the transfer for Capital Construction. Prior to this elimination, at the close of each fiscal year following certain other transfers, 10 percent of the remaining excess revenues were transferred to this fund to support necessary projects and improvements related to state owned properties. It looks like there was an intention to replace this cascade elimination with an ongoing appropriation and, indeed, \$3 million was included in both fiscal year 2016 and 2017. However, this level of funding was not appropriated beyond FY17.

For the current biennial budget, there was just the baseline appropriation of \$310,587. In the Supplemental Budget proposed in the 2nd session of the 129th Legislative session, we asked for \$3 million in both FY20 and FY21. We received an additional one time \$2 million in FY20. The \$3 million requested for FY21 didn't make it to the emergency change package or the bill passed in March 2020.

And, second, proceeds from state property sales between 2012 and 2018 had largely been expended for major capital projects planned prior to the FY21 fiscal year (19 Union Street renovation and Greenlaw Building renovation). Although this fund is meant to be used to support maintenance, deposits are not consistent as sales of state property are infrequent and are not nearly enough to cover even the basic of routine maintenance and repairs for the more than two million square feet of space.

In the FY21 supplemental, we requested and received a onetime appropriation of \$2 million. In the FY22/23 biennial budget, we request a onetime appropriation of \$2 million in FY22. And then, for FY23, we propose to reinstate the cascade language that would allocate 10 percent of each year end excess revenues (following certain other transfers) to this fund. This would reestablish an ongoing funding source to ensure the proper maintenance and upkeep of our state's capital assets and the protection of our state's human assets.

A summary of the work done with FY21 capital consists of:

- Furniture and moving expenses in support of the 19 Union Street renovation
- Extensive environmental testing due to contaminants and hazardous materials in multiple locations
- Partial funding of bathroom upgrades in the Marquardt Building for ADA compliance
- Roof replacement at Maine State Police Crime Lab
- Completion of roof replacement at Office of Chief Medical Examiner (OCME) (project started in FY20)
- Several other mechanical ventilation and building envelope repair projects are still in process: Tyson Building air handler unit replacement, Tyson Building cabinet unit heater replacement, and Law Enforcement Memorial sidewalk repairs

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

Project Name	Expended FY21	Project Status
Furniture and Moving Expenses	\$ 1,312.50	Completed
Environmental Testing and Hazardous Materials Removal	\$ 15,734.83	Completed
Marquardt 2nd Floor Bathroom Renovation	\$ 5,000.00	Completed
Law Enforcement Memorial Sidewalk Repairs	\$ -	Active and Ongoing
Tyson Building Air Handling Unit Replacement Project	\$ -	Active and Ongoing
Tyson Building Cabinet Unit Heater Replacement Project	\$ -	Active and Ongoing
Office of Chief Medical Examiner's Roof Replacement Project	\$ -	Completed
Maine State Police Crime Lab Roof Replacement Project	\$ 154,375.00	
TOTAL	\$ 176,422.33	

B. Maine Governmental Facilities Authority Projects FY21

MGFA		
Marquardt Building 2nd Floor HVAC Upgrades	\$ 893,586.26	2014B, 2018A
Greenlaw Building Renovation	\$ 4,580,460.71	2015B, 2018A
Deering Building Renovation	\$ 892.00	2015B
East Campus Boiler Replacement Project	\$ 147,331.40	2018A
Cultural Building Renovation Project	\$ 240,305.10	2018A, 2020A 1610-L
Department of Corrections	\$ 26,078,486.60	2017A, 2018A, 2020A
TOTAL	\$ 31,941,062.07	

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
- Monitor 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 269 active leases for office, warehouse, garage, storage, tower 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 1,748,398 square feet of leased space (excluding towers and associated access roads and rights of way) with a combined approximate value of \$27,937,025.04. This total cost includes rent, utilities, custodial services, and all associated costs of the leased spaces.

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 competitive bidding when space is initially secured, 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 commission shall report to the Governor and the Legislature annually on September 1st its accomplishments and recommendations relating to the work and needs of the commission, The commission shall list all activities and projects initiated and completed during the past year and those projects proposed during the next year that concern the preservation and development of the aesthetic and historical integrity of the Blaine House and its adjacent grounds.

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, 2020:

- 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
- Old, deteriorating garage doors replaced
- Solar panels and tracker installed
- Removal of old stockade fence and replacement with white vinyl (work scheduled for Spring 2021)

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)

School Units did not employ owner's representatives during the last year. The Department of Education (DOE) has adopted a rule allowing for hiring of Project Representatives to represent the interests of both the school district and the DOE. Over the past 5 years DOE has hired 7 project representatives, some of whom have worked on multiple projects. The program is running successfully.

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. A reduction 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 has been requested in the FY22/23 biennial to initiate the process of replacing these older, more costly, less efficient vehicles.

CFM has purchased five electric vehicles for the purpose of operating a pilot program to become familiar with the operation of electric vehicles, analyze benefits and obstacles, and reduce operational costs.

CFM is also studying the potential benefits of installing telematic units in State vehicles. A pilot of ten units will be installed to analyze the benefits of telematics data that can assist in reporting, determining maintenance issues and reducing fuel consumption. This is a key component to modernizing the fleet and gaining peak operating efficiencies.

Maintenance costs are expected to rise with new advancements in vehicle technology and the high demand for skilled labor. Fuel costs can be volatile but have been steady over recent years. We do anticipate an increase in vehicle purchase costs due to new vehicle pricing, an anticipated increase in the number of hybrid and/electric vehicles purchased and an increase in SUV purchases due to changes in work environment for some agencies. We have projected a 3% increase in purchase cost. Some savings will be achieved with the reduced operational cost of more fuel-efficient vehicles. The reduced operational cost generally does not offset the increased purchase price of vehicles.

The fleet is made up of light duty vehicles of all types.

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 Procurement Services 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 calendar year 2020, 11 cooperative agreements were awarded pursuant to this law with a total value of \$4.5 million and a median value of \$103,637.

Dept	Contract Value	Vendor Name	Date Contract Approved
Corrections	\$92,000	Univ. of Maine System	7/3/2020
Education	\$30,000	Univ. of Maine System	9/17/2020
Education	\$31,500	Univ. of Maine System	7/3/2020
Education	\$51,629	Univ. of Maine System	7/3/2020
Education	\$190,789	Univ. of Maine System	8/17/2020
Education	\$211,082	Univ. of Maine System	10/8/2020
Health and Human Services	\$1,376,684	Univ. of Maine System	7/7/2020
Health and Human Services	\$1,932,781	Univ. of Maine System	10/27/2020
Transportation	\$50,000	Univ. of Maine System	7/1/2020
Transportation	\$103,637	Univ. of Maine System	7/1/2020
Maine Health Data Organization	\$457,864	Univ. of Maine System	7/3/2020

Total \$	\$4,527,966
Median Value	\$103,637

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

The law requires a report to the SLG 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 \$557,904.46 on clothing related items in calendar year 2020. Of that total, \$542,454.15 (97%) was expended with Code of Conduct compliant vendors and \$15,450.31 (3%) was expended on specific specialty items where code compliance cannot be verified. 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.

A list of vendors that held a Master Agreement in 2020 for clothing-related items compliant with the Code of Conduct law can be found [here](#). Note: The Code of Conduct may not apply to the entirety of items offered by the vendor.

5 M.R.S. Ch. 14-A § 305 Capitol Planning Commission (SLG)

The Capitol Planning Commission was established to ensure the orderly development of the Capitol Area and provide effective planning for possible further growth of State of Maine governmental agency facilities in Augusta.

The Commission consists of 9 members as follows: the Commissioner of Agriculture, Conservation and Forestry, or the commissioner's designee; a member of the Augusta City Council appointed by the Mayor of Augusta, for a term of one year; and seven members appointed by the Governor. The Governor's appointees include: one resident of the Capitol Planning District and 2 residents of the City of Augusta, for terms of 5 years; and 4 citizens of the State who may not be residents of Augusta, for terms of 5 years. The Commission elects a chair from its membership and, while the Director of the Bureau of General Services serves as a secretariat of the Commission in exercising its administration, it may employ such assistance as it deems necessary. The Bureau of General Services also provides staff support. The Commission must meet at least once every four months.

The Capitol Planning Commission met three times during fiscal year 2019-2020 and discussed the following projects:

- Garage doors, stockade fence, and solar installation at Blaine House
- First Amendment Museum signage
- 19 Union Street renovation
- Paving at East Campus and Capital Complex
- Ray Building renovation
- Cultural Building abatement and mechanical work
- Office of Chief Medical Examiner - new facility
- Burton Cross Office Building envelope
- Mobile testing lab at 221 State Street
- Electric vehicle charging stations
- Greenlaw Building renovation
- MDOT signal upgrades in Augusta
- CPC boundary amendment to exclude property removed from the district legislatively (109 Capitol Street and 139 Capitol Street)