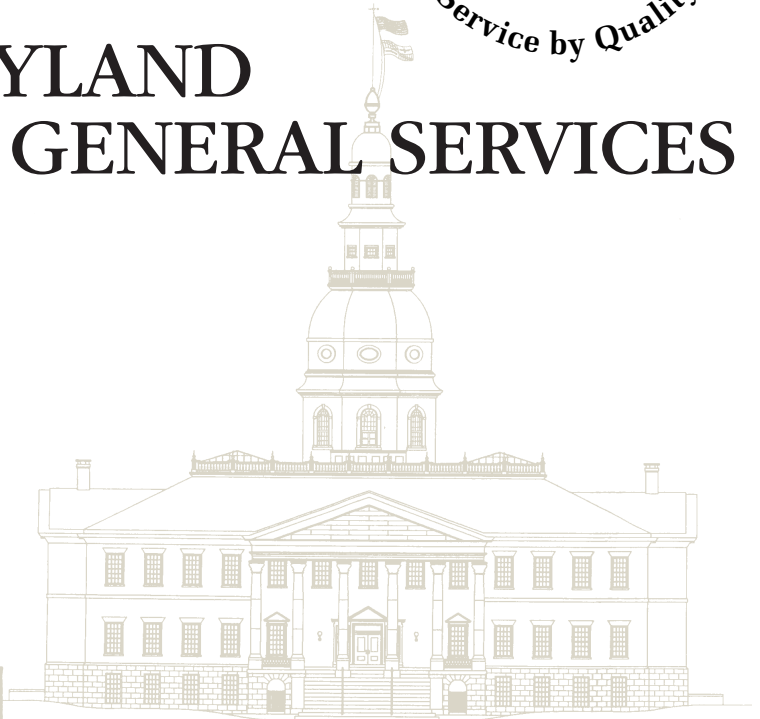


2002 Annual Report



MARYLAND DEPARTMENT OF GENERAL SERVICES



Parris N. Glendening, *Governor*

Kathleen Kennedy Townsend, *Lt. Governor*

Peta N. Richkus, *Secretary*

R. Stevens Cassard, Jr., *Deputy Secretary*



While the Department of General Services did not obtain full Department status until 1970, its evolution from a single person planting trees and repairing gates and gutters to a complex organization of almost 800 employees with responsibilities spanning all State departments, agencies and branches of government, enables it to meet its mission of service as the State's landlord, procurement officer and real estate agent.

In 1862, by statute, the Governor became responsible for appointing a competent person for upkeep of buildings and grounds, two watchmen, and a Keeper of the Steam House and Furnace. While 1862 is noted as our birthdate by law, history reveals that in 1845, the State Librarian was delegated some responsibilities for hiring persons to look after public buildings in Annapolis, and in 1849, the Superintendent of the public buildings was authorized to plant trees and repair gates and gutters.

Over the years, DGS has led the efforts to preserve, restore, maintain and support some of our State's most valuable resources - our historic buildings and grounds. DGS is also a partner in efforts to ensure the proper, effective and efficient administration of government in our State; and the safety, protection, health and well-being of Maryland State employees who work in State buildings and the citizens who visit these facilities on a daily basis.

Today, DGS is a proud, effective Executive Branch Department whose functions touch every aspect of the public life of Maryland. In 2002, it is generally true that nothing is accomplished in State government without some level of support from DGS.

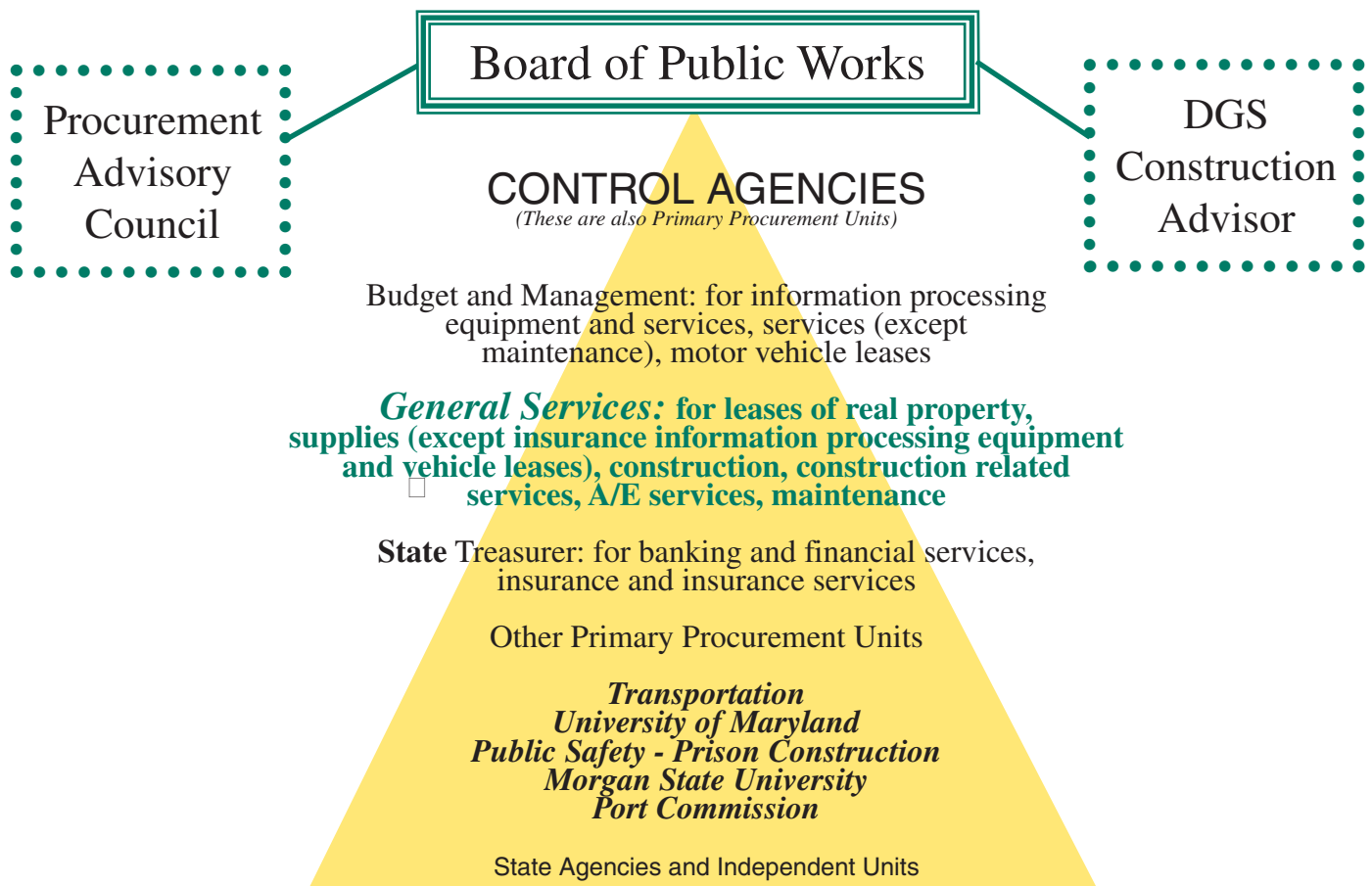
We know that we stand on the shoulders of others, adding our hard work and leadership to theirs. For more than 140 years, we have been providing *Quality Service by Quality People* and DGS is committed to continuing this legacy while always seeking to do it better.

Table of Contents

Summary	1
Mission, Vision, and Key Goals	2
Office of the Secretary	3
Information Technology Group	3
Fiscal Services Division	4
Personnel Division	4
Office of Communications	4
Legal Division	5
Governmental Affairs	5
Special Initiatives	6
Facilities Operations and Maintenance	8
Annapolis Public Building and Grounds	8
Baltimore Public Building and Grounds	8
Inner Harbor Complex	9
Multi-Services Centers	10
DGS Police	11
Maryland State Agency for Surplus Property	12
Real Estate	13
Land Acquisition and Disposal	13
Valuation and Appraisal	14
Lease Management and Procurement	14
Facilities Planning, Design and Construction	16
Project Management and Design	16
Energy Projects and Services	17
Construction Division	18
Maintenance Engineering Division	19
Procurement and Contracting	21
Construction and A/E Contracting	21
Facilities Maintenance Contracting	21
Commodity Procurement	22
Board of Public Works Administration	23
Procurement Law and State Policy	23
Technology	24
Energy Procurement	25
Logistics and Special Projects	26
Visual Communications and Digital Imaging	26
Records Management	26
Inventory Standards and Support	27
Minority Business Enterprise Office	28
DGS Organization Chart	29
List of Mandated Annual Reports	30



Maryland State Procurement Organization

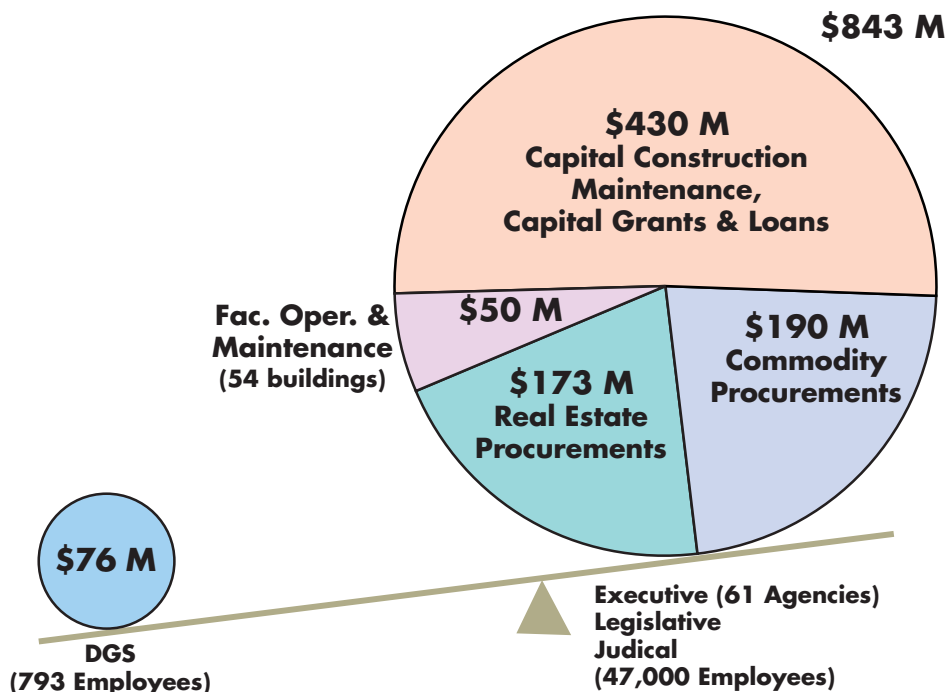


Summary

The Department of General Services manages, operates and maintains multi-agency State facilities; assesses State-owned facilities and manages facilities renewal funds of those facilities; provides full spectrum real estate support to include acquisition and disposal of any interest in real property in the name of the State; master plans and manages space in State-owned and leased facilities; provides professional and technical services for the design and construction of State public improvements (except those of the Departments of Transportation, Public Safety and Corrections, and the University System of Maryland); as a primary procurement agency, manages centralized procurement of materials, supplies and equipment used by State agencies; provides and manages centralized graphic reproduction capabilities including duplicating/printing, graphic design, and graphic art production; provides centralized inventory standards and controls; provides document imaging services and manages records of State agencies; and manages the Maryland State Agency for Surplus Property.

By statute, the Secretary of General Services advises the Board of Public Works and any unit of State government on public improvements and construction matters, and serves as a member of a number of boards and committees.

Maryland Department of General Services



DGS leverages limited resources to serve others.



Mission, Vision, and Key Goals

“The assistance provided by DGS was essential in the disaster recovery process.”

Donald L. Keldsen, Acting Director, Maryland Emergency Management Agency on DGS resources provided to help victims of tornadoes that struck Southern Maryland.

MISSION

The Department of General Services serves Maryland and its citizens by supporting other State agencies in achieving their missions. The Department performs a variety of functions, including planning, design, and construction management; facilities maintenance; procurement of goods and services; receipt and distribution of excess property; and provision of real estate services. Through these activities, DGS addresses the need for: (1) facilities that are safe, secure, and function as needed, (2) buildings, materials, and services that help other State agencies achieve their objectives; and (3) departmental actions that support social and economic goals important to the State. In all our undertakings, timeliness and cost-effectiveness are essential.

VISION

The Department's organizational values are our hallmark: to serve State agencies' operational needs through cost-effective stewardship of State assets; to serve State suppliers through honest and equitable business relationships, and the public through effective utilization of resources and promotion of their safe access to state entities; and to nurture and celebrate excellence and diversity.

KEY GOALS

- Goal 1:** Provide State agencies with the facilities and real property interests necessary to meet their operational needs in a cost effective manner.
- Goal 2:** Provide clean, safe and secure facilities for the public and State employees to conduct government business.
- Goal 3:** Maintain proper functioning of all State facilities under the responsibility of the Department of General Services.
- Goal 4:** Provide State agencies with the materials and services required to achieve their objectives.
- Goal 5:** Improve efficiency of DGS business operations
- Goal 6:** Meet important social and economic goals of the State.



Office of the Secretary

The Secretary of General Services is the chief executive officer of the Department with responsibility for the Department's programs, services, and budget. Pursuant to §4-403 and 4-406 of the Annotated Code of Maryland, the Secretary also advises and assists the Board of Public Works and other units of State government in matters which are under the jurisdiction of the Department. The Secretary serves as construction advisor to the State Board of Public Works and the Executive Department, chairs the Maryland Green Buildings Council, the Electricity Deregulation Advisory Committee and chairs the Government House Trust. The Secretary is also a member of the Smart Growth Subcabinet, the Information Technology Board, the Procurement Advisory Council, the Maryland Food Center Authority, the Interagency Council for Public School Construction, the Chesapeake Bay Cabinet, the Hall of Records Commission, and the Maryland Security Council.

The Deputy Secretary advises the Secretary, plans, strategizes, performs special functions, and shares responsibility for management of the Department.

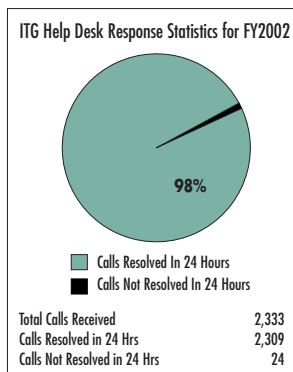
Administrative and management support for DGS programs and staff is provided by the following:

INFORMATION TECHNOLOGY GROUP

The Information Technology Group (ITG) is responsible for automation of DGS processes to support departmental activities. Responsibilities include vendor and product selection, systems development, systems installation and integration, data center operations, system maintenance, and end-user support.

FY 2002 Highlights

- **Nonvisual Accessibility-Certification (NVA):** first State agency web site to receive NVA certification from the National Federation of the Blind.
- **DGSnet:** An on-going collaborative computing project based on intranet design and content provided by users. New additions include on-line training opportunities, job opportunities, and emergency information.
- **EPCN:** (Excess Property Control Network): This is a web-based method for excess property disposal. Version 1.1 is in use by State agencies.
- **DGSmobile:** PDA units put in place for executive management and Office of Facilities Planning, Design & Construction.
- **DGSdocs:** Adobe scanning software implemented for fiscal and office of Facilities Planning, Design & Construction.
- **emc:** eMaryland connection: Two web-only computers installed for vendors to access **eMaryland Marketplace** at DGS facilities.
- **DGSprint:** Replacement server provided for Visual Communications and Digital Imaging.
- **Network Management:** New ethernet network set up in Crownsville Construction Office; CADD system and DGS parking system brought into network; FTP site established; backup procedures upgraded and enhanced; network hardware replaced.
- **User support:** 300 new or rebuilt PC's delivered to users; 98% of help desk calls resolved in 24 hour period; 90% customer satisfaction rate.
- **eGov web development:** Completed new web sites: Community College Construction, Maryland Charity Campaign, alternative fuels, current construction projects, DGS 140th anniversary site, Lighting Task Force. Began redesign of entire DGS web site. Currently DGS processes are 61% web enabled.



“... Maryland taxpayers would be pleased with the careful stewardship of their tax dollars this donation represents.”

*Polly Binns, Director,
Resource Development, Cecil
County Community College on
the DGS donation of 20
computers and monitors for
reading/writing labs.*



Office of the Secretary



“Maryland State employees work every day to make our State a better place to live. And they set a great example to the public by giving to the community through this annual campaign. I am especially proud that once again DGS has exceeded its MCC goal”

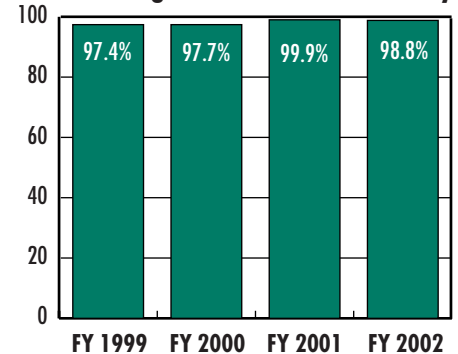
DGS Secretary Peta N. Richkus,
2002 MCC Assistant Chair



FISCAL SERVICES DIVISION

The Division is composed of three primary units, Statewide capital projects accounting, operating accounting, and budget management. The division provides accounting and budget management services to the Department. This includes: providing guidance to management on various fiscal and budgetary matters; representing the Department's views on fiscal and budgetary issues to outside agencies and the public; accounts payable; accounts receivable; payroll; leave keeping; fixed asset management; forecasting of revenues and expenditures; budget preparation; and accounting and financial reporting.

Percentage of Invoices Paid Timely



PERSONNEL DIVISION

The Personnel Division directs, manages, and coordinates all areas of human resources and collective bargaining for the Department. This includes setting policy and procedural guidelines to ensure compliance with State personnel law and regulations. Other activities include: recruitment and hiring, salary determination, position classification and promotion, employment counseling, health benefits, employee assistance, medical referrals, reporting of accident leave, employee's leave bank, mandated drug testing, budget and staff projections, ADA compliance, grievance resolution, EEO and Affirmative Action compliance, complaint resolution, arbitration of employer/employee disputes, training initiatives, various employee awards programs and representing management before the Office of Administrative Hearings.

OFFICE OF COMMUNICATIONS

The Office of Communications develops, coordinates and implements a comprehensive public relations program for the Department. Activities include proactive media relations, preparation of news releases, publications, speeches and coordination of special events within the Department and in support of the Office of the Governor and DGS customer agencies.

FY 2002 Highlights

- Coordinated news coverage and planned vendor events for **eMaryland Marketplace**.
- Planned and managed the Dedication Ceremony for the Louis L. Goldstein Memorial in Annapolis.
- Planned and managed the grand opening of the Annapolis Day Care Center.
- Prepared 37 news releases/reports promoting DGS and State Initiatives.
- Directed media planning and coverage of the 2001 Maryland Technology Showcase.
- Produced the Annual Reports for **eMaryland Marketplace** and the Department.
- Produced the Quarterly DGS Newsletter.
- Fielded 267 media inquiries over the past 12 months.
- Provided media support to many DGS customer agencies in conjunction with their capital and operations activities.

Office of the Secretary

LEGAL DIVISION

The Legal Division was established in accordance with legislation which requires the Attorney General to “act as the legal advisor to the Department.” At present there are six Assistant Attorneys General who function as “in-house counsel” to the Department and two additional attorneys in the Contract Litigation Unit of the Attorney General’s Office who devote time to DGS litigation and are funded out of Departmental funds on a reimbursable basis to the Attorney General.

Duties of the Legal Division include responsibility for court cases, reviewing and preparing contract documents, and providing both formal and informal legal opinions on a regular basis to the Department’s personnel. The Legal Division also assists the divisions of the Department on issues requiring legal assistance. These include the following:

- Advice and Counsel to the Secretary and Deputy Secretary
- Affirmative Litigation
- Approval of Contracts for Form and Legal Sufficiency
- Architectural/Engineering Selection and Procurement
- Bid Protests
- Defense of Construction Litigation
- E-Commerce Initiatives
- Leases
- Legislation
- Minority Business Enterprise Participation
- Personnel Hearings
- Preservation Easements
- Procurement Law
- Public Information Act Requests
- Regulations
- Sale and Acquisition of Real Property
- Smart Growth
- Tort Claims

The Division remained active at the Maryland State Board of Contract Appeals where it defended several contractor claims and numerous bid protests brought against the Department. In FY 2002, the State settled and/or resolved 11 claims. The total amount of the claims filed was \$856,730 and the amount paid was \$110,366 or 12.88%.

In October 2002, the Maryland Court of Appeals upheld an earlier Baltimore County Circuit Court decision in support of the Department’s interpretation of the spirit and letter of the State’s Procurement and Preferred Provider laws. (BISM v. DGS, CA No. 32)

GOVERNMENTAL AFFAIRS

The Office of Governmental Affairs coordinates departmental policy and provides direction and support to the Secretary in matters relating to all branches of State government. This includes establishing the Department’s legislative agenda and analyzing the impact of proposed legislation; representing the Department’s position to the State House, other agencies, and members of the General Assembly; and coordinating and reviewing mandated reports and studies. Currently, the Office is responsible for 23 mandated reports.

Additionally, the Office of Governmental Affairs is responsible for the development and assessment of the Managing for Results Initiative, ensuring that DGS’ mission, values and goals are attained through the implementation of strategic planning, effective policies and procedures, and measurable objectives.

*“Over the years,
DGS has led the
efforts to
preserve,
restore,
maintain and
support some of
our State’s most
precious
resources - our
historic
buildings and
grounds.”*

*Lt. Governor
Kathleen Kennedy Townsend*



Office of the Secretary

SPECIAL INITIATIVES

eMaryland Marketplace

Recognized nationally as a leader in e-Procurement, *eMaryland Marketplace* is an important element in the State of Maryland's e-Gov portfolio.



Maryland began moving its \$8 billion in annual State purchasing to the Internet with an innovative G2B/B2G no-cost project that was launched March 8, 2000. Conceived by the Maryland Department of General Services (DGS) procurement division, *eMaryland Marketplace (eMM)* allows government agency buyers to establish real time communications and business transactions with vendors in a paperless environment, producing savings for both the State and local government agencies and their vendors.

Since its inception, *eMM* (www.emarylandmarketplace.com) has posted more than \$240 million in procurements on its Web site. The system has grown to include more than 82 State and local government agencies, over 500 users and more than 2,100 bidding vendors. State commodity contracts are loaded as catalogs and are available to public buyers in an "amazon.com" manner.

As the first fully-functional State procurement system, *eMM* continues to receive national recognition. A G2B article in *Governing* magazine cited *eMM* as one of the success stories of states that run self-funded e-procurement systems.

One of the goals of *eMaryland Marketplace* is, in fact, to build and strengthen the "marketplace" of Maryland vendors. *eMM* makes government contracts more available, and levels the playing field for participating vendors, regardless of their location or company size. It can be especially helpful for small and minority businesses. All vendors experience efficiencies by accessing a single portal to conduct business with government buyers.

Significant benefits to Maryland government procurement organizations are realized by reducing the average administrative cost per order by an estimated \$100. The system reduces "maverick" buying, increases purchasing power through intergovernmental cooperative procurement, and heightens competition among a wider spectrum of suppliers.

Smart Growth

The Department of General Services continues to fulfil agency space needs by locating only within designated Smart Growth areas, specifically concentrating on downtown areas and core business districts.

The Maryland Department of the Environment has moved into 262,300 net usable square feet at Montgomery Park Business Center in southwest Baltimore City, as part of the State's first green building lease agreement which was negotiated by the Office of Real Estate. The Maryland State Lottery Agency, occupying 72,271 square feet of office and storage space, will become the second State tenant at Montgomery Park. These leases will foster redevelopment of a long vacant 1.3 million square foot building, while conserving natural resources through the use of green building renovation strategies.

"I am very impressed with the achievements of eMaryland Marketplace. This program will be looked upon as a leader for many other states and government agencies."

State Senator Ida G. Rubin
District 20



Office of the Secretary

The Department of General Services continues to play an important role in preserving the State's rural resources and protecting our environment by acting as transaction agent for the Departments of Agriculture and Natural Resources. To that end, we purchased \$100.7 million in preservation and conservation easements in FY 2002.

Maryland Green Building Council (MGBC)

Created by Executive Order (Sustaining Maryland's Future with Clean Power, Green Buildings and Energy Efficiency - March 2001) and chaired by the Secretary of the DGS, MGBC developed a green buildings program for State-owned and leased facilities, adapting the LEED™ program of the U.S. Green Building Council. MGBC is also charged to report annually on the results of a number of State environmental programs, including green power, recycling and alternative fuel usage.



MARYLAND
Green Buildings Council



“We are providing first-rate facilities to train public safety officers. I am particularly pleased that we are building a modern training center by renovating historic buildings and using the full potential of our Smart Growth tools.”

Governor Parris N. Glendening on award of \$20 million construction contract for expansion of the Public Safety Education and Training Center.



Facilities Operations & Maintenance

DGS operates and maintains 54 State office buildings with 6.5 million square feet of space and 61 acres of parking.



The Facilities Operations and Maintenance Division is responsible for establishing policy and directing the statewide operations, maintenance and security of 54 buildings with 6.5 million square feet of space under the Department's authority. The Assistant Secretary oversees three principal office centers - Annapolis Public Buildings and Grounds, Baltimore Public Buildings and Grounds and the Inner Harbor State Office Complex - along with 12 regional Multi-Service Centers. Staff at each of the three complexes and the Multi-Service Centers provide both preventive and routine maintenance as well as major repairs, alterations, improvements, housekeeping and security services to support other State Agencies.

In the interest of reliability, responsiveness and cost effectiveness, the Department accomplishes the majority of its mission by employing maintenance trades and other special service personnel to support the operations, preventive maintenance and repair services. The Department is supplemented with specialized support by private contractors for a full range of facility services to meet State requirements.

ANNAPOLIS PUBLIC BUILDINGS AND GROUNDS

Annapolis Public Buildings and Grounds (APB&G) operates, maintains and secures the State Office Center in historic Annapolis. APB&G oversees 26 State-owned buildings encompassing more than 2 million square feet on 49 acres of landscaped areas and 24.5 acres of parking lots. The buildings house approximately 4,700 State employees and elected officials. Among the buildings the division maintains are: the State House, House and Senate Office Buildings, the Legislative Services Building, Government House, the Treasury Building, the Revenue Administration Building, the five-building Tawes Office Complex, the Courts of Appeal Building, the Robert F. Sweeney District Court Building, the Maryland State Police Barrack "J", the Maryland State Archives Building, the Jeffrey Building and Shaw House. In addition, APB&G is responsible for maintenance and daily operations of the Annapolis Day Care Center, the Crownsville Day Care Center and the Crownsville People's Resource Center in Anne Arundel County.

FY 2002 Highlights

- Installed and implemented the Annapolis Complex Security System
- Interior renovation - James Senate Office Building
- Implemented Facilities Conservation Water Plan as part of the Governor's Water Conservation Initiatives
- Opening of the Annapolis Day Care Center - Tawes Office Complex
- Developed and implemented a comprehensive customer service program

BALTIMORE PUBLIC BUILDINGS AND GROUNDS

Baltimore Public Buildings and Grounds (BPB&G) is responsible for the operation, maintenance and security of four State-owned buildings totaling 1.4 million square-feet in Baltimore City located at 201, 300 and 301 West Preston Street and 2100 Guilford Avenue in Baltimore City. BPB&G houses approximately 5,400 State employees and maintains 17 acres of landscaped area and 19 acres of parking lots.

Facilities Operations & Maintenance

FY 2002 Highlights

- Improvements to exterior landscaping: flagpoles, trees, shrubbery and benches
- Added outside sitting area on pedway for new O'Connor Lobby Coffee Shop - 201 W. Preston St.
- Replaced outside air dampers - 201 W. Preston Street
- Removal of the exterior escalator - 201 W. Preston St.
- Installed automatic door closures on elevator lobby doors on office side garage levels - 201 W. Preston St.
- Installed Heating/Air-Conditioning to offices in main lobby - 201 W. Preston St.
- Waterproofing membrane & flagstone at entrance - 300 W. Preston St.
- Installed 30 Isolation Valves in the window units - 300 W. Preston St.
- Replaced existing electrical distribution panels - 300 W. Preston St.
- Installed safety anchors on exterior limestone panels - 301 W. Preston St.
- Replaced domestic hot water booster pumps - 301 W. Preston St.
- Handicapped modifications to 8th floor ladies restroom - 301 W. Preston St.
- Interior painting of cafeteria for new operator, Maryland Business Enterprise Program for the Blind - 301 W. Preston St.
- Beautification of landscaping with planters, benches and chain border fence - 2100 Guilford Ave.
- Installed interior and exterior signage - 2100 Guilford Ave.
- Replaced main central processing unit for the fire alarm system

INNER HARBOR COMPLEX

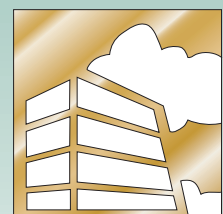
The Inner Harbor State Office Complex is responsible for the operation, maintenance and security of 12 buildings, housing 2,957 State employees, including: William Donald Schaefer Tower; the Public Defender Building; Saratoga State Center; Woodstock Job Corps Center; Hilton Heights Community Center; and Civic Plaza. These buildings total more than 1.6 million square feet and 83 acres of land and three acres of parking. Management at the Inner Harbor Complex oversees the State Records Management Center; State Use Industries offices and warehouse, the Motor Fuel Lab in Jessup, and the Maryland State Agency for Surplus Property in Jessup.

FY 2002 Highlights

- Replaced cooling tower discharge air plenum duct-work system - 6 St. Paul St.
- Replaced roofing system - 6 St. Paul St.
- Removed old conveyor belt system and built office and storage space for DGSP - Saratoga State Center
- Cleaned fresh air intake shaft - Saratoga State Center
- Roof replacement - Saratoga State Center
- Installed catwalk and pre-filter system - Hilton Heights Community Center
- Installed concrete pads and sidewalks - Hilton Heights Community Center

“Thanks to the efforts of DGS, the Office of Smart Growth moved into our new facilities much faster than anticipated. Your staff responded to all our needs both large and small.”

Harriet Tregoning, Special Secretary, Governor's Office of Smart Growth



New District Courts in Carroll County and South Baltimore will increase to 14 the number of District Court/Multi-Service Centers across the State.

DISTRICT COURT/MULTI-SERVICE CENTER OPERATIONS

The District Court/Multi-Service Center (MSC) Operations are responsible for the operation, maintenance and security of 12 District Court/Multi-Service Centers across the State. These facilities encompass more than 1.5 million square feet on 38.3 acres of landscaped areas and 14.6 acres of parking lots. These facilities are: George M. Taylor MSC, Glen Burnie in Anne Arundel County; W. Paul Martin MSC, Salisbury, Wicomico County; John R. Hargreaves MSC, Denton, Caroline County; Shillman Building, Baltimore City; Arbutus/Catonsville MSC, Baltimore County; Edward F. Borgerding MSC, Baltimore City; Ellicott City MSC, Howard County; Essex/Rosedale MSC, Baltimore County; Mary E. W. Risteau MSC, Bel Air, Harford County; Elkton MSC, Cecil County; Carter M. Hickman MSC, Centreville, Queen Anne's County; and the J. Louis Boulblitz District Court, Hagerstown, Washington County. A total of 2,705 State employees work in the Multi-Service Centers.

FY 2002 Highlights

- Arbutus/Catonsville DC/MSC - Repaired rear sidewalk; re-caulked and repointed bricks; installed new recording system in courtrooms
- Mary E. Risteau DC/MSC - Replaced heating water expansion tanks
- Edward F. Borgerding DC/MSC - Glazed all exterior windows; replaced two windows in accounting office; installed new chiller; replaced overhead door
- Carter M. Hickman DC/MSC - Repaired main entrance doors; relocated security desk to rear entrance door
- John R. Hargreaves DC/MSC - Repaired sidewalks and curbs
- Elkton DC/MSC - Replaced domestic hot water heater; renovated 2nd floor Social Services; replaced main entrance steps; installed sidewalk paver brick to flagpole
- Ellicott City DC/MSC - 6,000 sq. ft. of new construction consisting of courtroom, judges chamber, and holding cells; replaced sally port door
- W. Paul Martin DC/MSC - Converted jury room to a new District Courtroom; upper deck parking area sandblasted, sealer applied and parking lines repainted; replaced sections of north end sidewalk
- Shillman Building - Installed new air handling units on 4th and 5th floors; repaired and replaced all duct work, VAV boxes and controllers on 4th and 5th floors; installed VMA controllers on 2nd and 3rd floors; installed HVAC control management system; replaced carpet in both lobbies; extended emergency generator stack; replaced loading dock bumpers and shelter hoods



Facilities Operations & Maintenance

DGS POLICE

The Division's Police Officers and Building Guards offer around-the-clock security for the Annapolis, Baltimore and Inner Harbor State Office Centers.



Baltimore Detachment

The Baltimore DGS Police Detachment provides law enforcement and security for a total of 10 buildings, six State parking lots and four parking garages and has concurrent jurisdiction for traffic enforcement throughout the City of Baltimore. The buildings include 301, 300 and 201 W. Preston Street, the Fifth Regiment Armory, 2100 Guilford Avenue, 500 N. Calvert Street, 6 St. Paul Street, 201 St. Paul Street, 310 and 311 W. Saratoga Street.

Annapolis Detachment

The Annapolis Detachment of DGS Police provides security to 19 buildings, including the Maryland State House, the Revenue Administration and the Goldstein Treasury Buildings, as well as the Lowe House Office Building, the James Senate Office Building and the Miller Senate Office Building. In addition, the detachment covers five parking garages and 11 surface parking lots. The Annapolis DGSP officers also handle both scheduled and unscheduled demonstrations held on State property and coordinate closely with the Annapolis City and Maryland State Police Departments.

FY 2002 Highlights

- Secretary appoints first DGS Chief of Police
- Increased police force by 56 officers, security officers by 22 and police communications operators by three
- Enhanced building security including implementation of a 100 percent ID check at all buildings. Employees required to display identification badges at all times, and visitors required to wear visitor passes
- Installed CCTV systems in buildings at main entrances
- Instituted uniform employee identification badges for State employees
- Training on automated external defibrillator to assist heart attack victims
- Enhanced First Aid and First Responder training
- Conducted "Responding to Terrorism" training for all DGSP personnel
- Regional anti-terrorism training with the Military Department, DHMH, MSP, DOE, Fire Marshal's Office and DGS Police on "preventing, responding to and recovering from a terrorist attack or disaster event"
- Mail room training - provided training to mail room personnel on how to handle suspected contaminated mail and the identification of possible mail bombs
- Bomb threat training; from the time the initial threat is received to re-entry of the facility
- The Baltimore Unit continues to be involved in safety networks with allied agencies such as the Downtown Partnership of Baltimore, the Midtown Community Benefits District, the Baltimore Executive Safety Team and the DHMH Labside Safety Committee
- Baltimore Metropolitan Regional Law Enforcement liaison for the Education of Safety Belt Use in Maryland, in cooperation with the Maryland Highway Safety Office
- Member of the Baltimore Executive Safety Team and Downtown Partnership
- Installed magnetometers at auxiliary entrances with card readers to allow access by authorized personnel

*Additional
resources have
enabled DGS to
enhance
security for the
more than
45,000
employees and
over 1 million
visitors to
State-owned
buildings.*



*Surplus
Property
distributed
35,000
blankets in
2002 to local
governments
and providers
of assistance to
the homeless.*

MARYLAND STATE AGENCY FOR SURPLUS PROPERTY

The Maryland State Agency for Surplus Property (MSASP) is responsible for the receipt and redistribution of State and Federal surplus property for the State of Maryland. MSASP is a self-supporting agency; all operating funds are generated by the sale of surplus property or service charges applied to Federal property.

Surplus State property is available to the public but Federal surplus property is limited to eligible donee institutions through a direct transfer program.

FY 2002 Highlights

- Retired the outstanding obligation to DBM
- MSASP conducted Donee Screener training classes for Federal property distribution
- Distributed 35,000 blankets to organizations that provide services to the homeless and needy



The Office of Real Estate is responsible for establishing policy and for directing all real property functions of three units: the Land Acquisition and Disposal Unit, the Lease Management and Procurement Unit and the Valuation and Appraisal Unit. Along with management oversight the Assistant Secretary is responsible for communicating with the leadership of client agencies, State and local elected officials, private property owners and brokers, and the Board of Public Works, in support and on behalf of the Secretary and Deputy Secretary of the Department. Since 1995, the Office of Real Estate has processed more than \$572.1 million in land acquisition and disposals and \$594 million in lease transactions.

LAND ACQUISITION AND DISPOSAL UNIT

The Land Acquisition and Disposal Unit is responsible for the acquisition and disposal of real property for all State agencies, with the exception of the Department of Transportation's transactions for highways, roads and bridges. Acquisition activities include obtaining and compiling real property information for ordering titles and appraisals; evaluating the property condition via due diligence; conducting negotiations with property owners/representatives; securing purchase option agreements, rights-of-way and easements; pursuing the powers of eminent domain; and, preparing Board of Public Works action items for approval.

The Unit receives special funding for its support of Program Open Space from the Department of Natural Resources. The Unit is also responsible for the disposal of excess real property and intergovernmental property transfer, after such a recommendation is made by the Maryland Office of Planning. Disposition is usually in the form of a sale for fair market value through requests for bids, requests for proposals or requests for expression of interest.

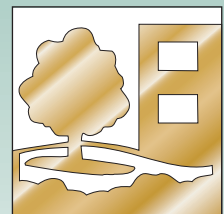
Maryland's GreenPrint program, created by the 2001 General Assembly, provides funding for the purchase of large tracts of land to connect conservation corridors throughout the State. DGS handled all real property acquisitions for GreenPrint in FY 2002 preserving 4,184 acres.

The Unit presented 65 purchase and sale agreements, options and easements to the Board of Public Works for a total FY 2002 transaction value of \$68.7 million.

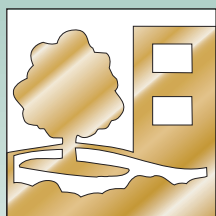
	FY 01	FY 02
New Program Open Space Cases	35	56
POS Cases Approved by BPW	15	26
POS Acres Acquired	1,536	3,376
POS Acquisition Costs	\$13.3 million	\$10.8 million
GreenPrint Ag Easements	—	8
GreenPrint Acres Acquired	—	4,184
GreenPrint Acquisition Costs	—	\$23.1 million
Other Acquisitions Approved by BPW	24	39
Other Acquisition Costs	\$56.5 million	\$34.8 million

“This 800-acre acquisition of undeveloped property is the largest, single land preservation purchase ever in Montgomery County.”

Governor Parris N. Glendening on the \$7.2 million GreenPrint purchase of the Hoyles Mill Diabase property.



Acting as a transaction agent for the Department of Agriculture, DGS purchased \$32 million in agricultural easements in FY 2002.



VALUATION AND APPRAISAL UNIT

The Valuation and Appraisal Unit oversees real property valuation issues for all State agencies except MDOT. The valuation issues include, but are not limited to, preparing preliminary estimates of development potential and contracting for private fee appraisals. It is responsible for reviewing for form, fact and sufficiency the independent appraisals of the properties to be acquired. Valuation recommendations are made to the Assistant Secretary for a determination of a property's approved value. This Unit also evaluates appraisals for Capital Grants and Loans and disposal of State real property assets and it conducts staff appraisals and other real estate related studies.

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Appraisal Reviews	677	731	835	777	865	865
Staff Appraisals	45	44	76	95	69	123
BPW Items	45	81	83	108	149	133

The Unit receives special fund support from the Maryland Agricultural Land Preservation Foundation through the Department of Agriculture for its support of the Agricultural Easement Program. In FY 2002, the Unit established valuation parameters and presented to the Board of Public Works 171 easement options valued at \$32 million.

	FY 01	FY 02
Ag Easements Approved by BPW	149	144
Ag Easement Acreage	19,397	14,041
Ag Easement Costs	\$32.5 million	\$25.5 million
GreenPrint Ag Easements Approved by BPW	—	27
GreenPrint Ag Easement Acreage	—	4,000
GreenPrint Ag Easement Costs	—	\$6.5 million

LEASE MANAGEMENT AND PROCUREMENT UNIT

The Lease Management and Procurement Unit acquires and manages new and renewal leasehold agreements for real property between State agencies (excluding USM and certain MDOT actions) and commercial and governmental landlords. This includes soliciting lease proposals in approved geographic boundaries; evaluating requests for proposals; negotiating rental rates, terms and conditions with the apparent winner; reviewing and approving space modifications; preparing lease documents; establishing standards for the use of office space; and preparing action agenda items for Board of Public Works approval.

The Unit also inspects leased property to enforce lease terms.

Current Annual Lease Inventory

	Annual Rent	Measured Space	No. of Leases
Office/Storage	\$64,311,775	4,509,425 nuf	379
Parking	\$ 2,905,073	5,984 Spaces	61
Revenue Leases			
Office	\$ 968,059	—	18
Other	\$ 233,492	—	109
Tower	\$ 447,572	—	43
Land	\$ 3,519,035	—	93

Employee Housing leases were completed for 175 occupied units totaling \$239,000 annually in rental payments.

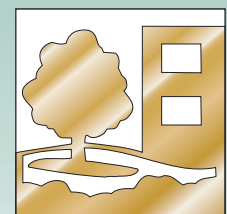
FY 2002 Highlights

- Negotiated and presented to the Board of Public Works a 72,271 square feet of office and storage space lease for the Maryland State Lottery Agency headquarters. The Lottery will become the second State tenant at the Montgomery Park Business Center – the site of the former Montgomery Ward building in Southwest Baltimore.
- Over saw completion of construction and moved staff from Investment Building in Towson to 6401 York Road.
- Competitively acquired leased space for the Department of Juvenile Justice (DJJ) in Towson. Historic building with renovations included use of green building materials, construction techniques and energy efficient HVAC systems.
- Competitively acquired leased space for Maryland Higher Education Commission in Annapolis utilizing Green Building materials and construction techniques and energy efficient HVAC systems.
- Effected the co-location of DJJ with Montgomery County creating the Juvenile Assessment Center.
- More than 2,000 Deep Creek Lake buydown parcels are being offered for sale to adjacent lake property owners. In FY 02, 458 out of 492 contracts were accepted and 399 sales in the amount of \$1,107,161 were settled.
- Acquired 4,184 acres for Maryland's GreenPrint program, including:
 - The Douglas Point project preserved 1,897 acres along the Potomac River in Charles County. This acquisition helped to preserve the area and prevent sprawl and development.
 - The Jacoby/Jug Bay project preserved 610 acres on the Patuxent River in Anne Arundel County. This acquisition helped to protect a very sensitive ecosystem which is increasingly being encroached upon by development.
 - The Hoyles Mill Diabase project represented the acquisition of 800 acres in Montgomery County in an area under the imminent threat of development.
 - The Emmitsburg Watershed project represented the acquisition of 570 acres in Frederick County.



*“Thank you for
your support of
Montgomery
Park and its
economic
development
potential.”*

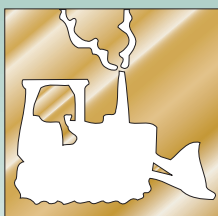
*Samuel K. Himmelrich, Jr.,
Himmelrich Associates, Inc.,
developer of the Montgomery
Park Business Center.*



Facilities Planning, Design and Construction

“Your professional execution in assisting us in each phase of our Classroom Building project is ensuring the success of this important venture.”

Dr. Mel D. Powell, Executive Director, Southern Maryland Higher Education Center.



The Office of Facilities Planning, Design and Construction (FPDC) is responsible for the management and direction of four Divisions: Project Management and Design, Construction, Maintenance Engineering and Energy Projects and Services. To assist the Assistant Secretary and the Divisions, support staff includes a project cost center and a management information team. FPDC develops and implements policies, procedures, regulations and standards to assure that programs and services meet the needs of its State agency customers. These customers include DGS, DHMH, DJJ, DMIL, District Courts, DNR, DHR, DMSP, DBED, DLLR, DHCD, MDVA, MD Schools for the Deaf, Higher Education, local governments and nonprofit agencies (Grant & Loan Program), Community Colleges, and the Inter-Agency Committee on Public School Construction. Other agencies requesting support include: St. Mary's College of Maryland, MES, MAIF and the Maryland State Retirement Agency.

The Assistant Secretary is responsible for Statewide Executive Branch Capital Project program review. This program review includes providing feasible alternatives, cost estimates, technical review comments and design and construction schedules. The Assistant Secretary is also responsible for Architect/Engineer (A/E) selection for all projects (with the exception of USM and MDOT) with design fees greater than \$25,000.

FY 2002

99 negotiated design contracts totaling \$12.1 million
Estimated Construction Value - \$131 million

As the engineering and facilities advisor to the Governor and the BPW, the staff provides support to the Secretary as well as to task forces and committees, e.g., Interagency Committee on Public School Construction, Economic Growth and Resource Protection Planning Committee, Asbestos Oversight Committee, CFC Task Force, the Maryland Building Rehabilitation Code Advisory Council, the Lower Western Shore Tributary Team/Maryland Green Building Network, the Maryland Green Buildings Council, and the Task Force to Study Lighting Efficiency and Light Pollution in Maryland.

PROJECT MANAGEMENT AND DESIGN DIVISION

The Project Management & Design Division verifies and amplifies project scopes and definitions; reviews and approves capital programs; establishes project schedules; coordinates with using agencies, grantees, and the Office of Capital Budgeting, DBM; appears before Legislative Budget Committees; develops Architect/Engineer contract scopes of work; and monitors construction budget and project schedules during design and construction. The Project Management staff provides a single point of contact for the using agencies' Capital Improvement Program projects. The Project Managers provide oversight review and recommend approval of change orders during construction. They also monitor funding expenditures and appropriation balances. In FY 2002, the Division's Project Management staff conducted A/E selections, awarded contracts and initiated designs for projects across the State. These include the \$3.6 million State Police Barrack "I" in Easton, the \$1,525,000 Hammerman Beach Service Building at Gunpowder Falls State Park, the \$33.5 million New Library at Morgan

Facilities Planning, Design and Construction

State University, the \$13.2 million New Academic Building at St. Mary's College of Maryland, the \$7.7 million New Student Services Building at St. Mary's College and the \$4.8 million kitchen/dining hall/warehouse renovation at the Brock Bridge Correctional Facility.

The Division's Project Management staff managed the completion of design contracts, conducted successful procurements for construction contractor selections and awarded construction contracts for several important projects across the State during FY 2002. These include the \$7.6 million new Bloomsbury Square public housing development in Annapolis, the \$7.8 million Eastern Shore 24 Bed Juvenile Detention Center, the \$20.2 million Public Safety Training Center Academic and Administrative Facility, the \$10.6 million addition to the Enoch Pratt Central Library, the \$5 million classroom building at the Southern Maryland Higher Education Center and the \$3.9 million State Police Barrack "F" in North East.

The Project Management and Design Division's multi-discipline Design Team provides technical reviews of construction documents and approves the final construction documents for bidding and construction. The Design Team also provides technical consultation services to using agencies to investigate problems or new requirements at user facilities and recommends solutions or modifications. The Project Management and Design Division responded to more than 30 requests for special assistance from State facility managers during FY 2002. The unit also supports the Office of Real Estate by performing building assessment inspections and preparing building condition reports for prospective property acquisitions.

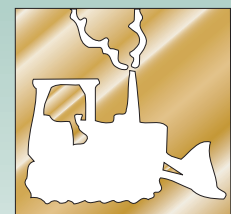
The Project Management and Design Division also reviews Public School designs and manages Community College Construction projects. For FY 2002, the legislature approved \$305.3 million for public school construction and \$45.2 million for community college construction. Total construction value of these projects is estimated to be \$650 million. Community College contracts awarded in FY 2002, representing 23 contracts in 11 counties, totaled \$74.5 million. The Project Management and Design Division is also responsible for the Capital Grant and Loan Program. This involved administrative and technical support for over 390 grant recipients and 529 projects with an estimated construction value of \$660 million. Responsibilities include program and design review and accountability of funds associated with the program. Capital Grant and Loan Contracts awarded in FY 2002 totaled \$364,334,812.

After the Wye Oak, Maryland's State tree and the largest white oak in the United States, was toppled by strong winds in June 2002, the Project Management and Design Division coordinated and directed salvage efforts for the Department of Natural Resources. The 40-foot, 61,500-pound trunk and the limbs and branches of the 460-year-old tree are being preserved in a Queen Anne's County warehouse for future use.

ENERGY PROJECTS AND SERVICES DIVISION

The Energy Projects and Services (EP&S) Division's mission is to assist State Agencies in reducing energy consumption and unit costs, improve building indoor air quality, and optimize equipment life in State facilities by providing building system commissioning and quality equipment service. EP&S is responsible for the following programs:

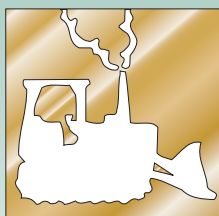
*DGS managed
salvage and
reuse efforts
when the Wye
Oak,
Maryland's
460-year-old
State tree, was
toppled by
strong winds.*



Facilities Planning, Design and Construction

“The opening of this wonderful new center is a celebration of learning and care for our children; and a celebration of peace of mind for parents knowing their children are in a safe, caring environment.”

*Governor Parris N. Glendening
at the opening of the
Annapolis Day Care Center.*



Energy Performance Projects

This program provides capital upgrades (heating, cooling, ventilation, central plant, peak power generation, electrical distribution, energy management systems, lighting), for State Agencies, using funds financed all or in part from reduced energy consumption by a Legislature-mandated minimum of 15% per square foot by 2010, of which 10% is expected by 2005 compared to the year 2000 base. DGS also oversees monitoring and verification of actual savings throughout the payback period to insure that the guaranteed savings are met.

ENERGY PERFORMANCE PROJECTS AWARDED IN FY2002

There were no new Phase II projects awarded in FY 2002.

\$ Value of potential projects in initial and Phase I review: \$8,000,000
\$ Value of projects awarded
(including maintenance for life of payback period): \$89,600 (one Phase I analysis)
Capital funding 100% financed from energy savings: \$598,000
Estimated energy cost/energy-related savings per year: Since no Phase II was awarded,
there was no additional maintenance awarded.
\$ Value of maintenance projects presently in initial and Phase I review: \$5,600,000

Chlorofluorocarbon (CFC) Phase out Program

Manages a Statewide capital program to replace chilled water systems that use environmentally damaging CFCs. The EPA has recognized Maryland's CFC Program as the first Statewide program to eliminate ozone-depleting CFC refrigerant in the United States.

ENERGY PHASE OUT PROJECTS AWARDED IN FY2002

\$ Value of projects awarded (design only) \$75,000
(Construction will be awarded in FY2003/4)
Lbs. of CFC removed from State's inventory of chillers 2,200

CONSTRUCTION DIVISION

The Office of Facilities Planning's Construction Division ended FY 2002 with 70 projects worth \$162.9 million under construction, 32 projects worth \$60.8 million in the punch list stage, and 37 projects worth \$24.6 million awaiting final payment for a total workload of 164 projects valued at \$280.6 million. A total of 171 projects valued at \$41.4 million were completed in FY 2002. In addition, of the 451 projects under warranty, valued at \$186.4 million, 331 warranty inspections were performed during this period.

FY 2002 - Projects Completed

- Baltimore City Circuit Court House - East Annex, Expanded the Circuit Court Space - \$2.4 million
- Deers Head Center, Window Replacement, Wicomico County - \$1.1 million
- Susquehanna State Park, Deer Creek Day Use & Rock Run Historic Area, Harford County - \$1 million
- Renovated 6 passenger & 1 service elevator, 201 W. Preston Street - \$1.3 million
- North Point State Park, Construction of multipurpose building & gate house, Baltimore County - \$1.5 million
- Fort Frederick State Park, Phase II construction of the Western Maryland Rail Trail, Washington County - \$1.6 million
- Baltimore State Office Complex, Preston Street Improvements - \$1.2 million
- Construct Natural Resource Police HDQ facility at Gwynnbrook - \$968 thousand

Facilities Planning, Design and Construction

- Replaced drill hall floor at the 5th Regiment Armory - \$876 thousand
- Constructed maintenance building in Annapolis - \$994 thousand

Major Capital Projects Currently Under Construction

- Renovated BCCC Main Bldg at Liberty Campus, Balto. City - \$13.6 million
- South East District Court Bldg., Balto. City - \$12.9 million
- Westminster District Court, Carroll County - \$7.2 million
- Phase II renovations of James Senate Office Building - \$10.6 million
- Renovated Perkins Rehabilitation Building, Howard County - \$3.1 million
- Juvenile Justice Center in Balto. City - \$45.9 million
- Salisbury Juvenile Detention Center, Wicomico County - \$7.8 million
- Western MD Juvenile Detention Center, Washington County - \$6.8 million
- Public Safety Training Center Academic & Administration Bldgs, Carroll County - \$20.2 million
- Addition to State Library, Balto. City - \$10.7 million
- Southern MD Higher Education Class Room Bldg., Saint Marys - \$5.2 million
- State Police Barrack "X", Somerset County - \$3.8 million
- State Police Barrack "F", Cecil County - \$3.9 million

MAINTENANCE ENGINEERING DIVISION

The Maintenance Engineering Division's mission is to aid and assist the Assistant Secretary of Facilities Planning, Design and Construction in implementing Maintenance Management Services for State-owned facilities. This includes, but is not limited to, establishing policies and procedures, establishing and supervising a comprehensive and continuing program of maintenance and repairs of all public improvements, reviewing maintenance and operation of public improvements, resolving engineering questions and managing the Capital, Operating, Program Open Space, Critical Maintenance, Underground Heating Oil Tank Replacement and Hazardous Waste budgets. Maintaining existing resources is the primary directive of this unit and an important complement to Smart Growth.

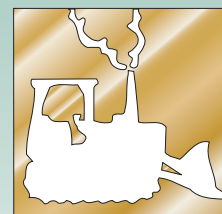
The Maintenance Engineering Division is responsible for carrying maintenance projects from conception through completion. In addition, the unit is responsible for asbestos and other hazardous material projects, whether as stand-alone projects or as part of larger renovation projects.

Besides the normal customer service requirements inherent in project management duties, the Division responds to numerous unscheduled requests from various using agencies. For example, the unit performs handicap accessibility projects as needed and is in charge of the sprinkler head replacement and underground storage tank replacement projects.

In FY 2002, the Maintenance Engineering Division's Roofing Unit inspected 491 roofs at 57 facilities and issued condition reports for each. Roof design reviews for major roof projects are performed at least twice, during the document design and the 95% phases. The roofing unit is instrumental in resolving roof problems discovered during the construction phase. Additionally, throughout the year, the unit held seminars focused on selected roof topics.

During FY 2002, the Maintenance Engineering Division's Assessment Unit inspected approximately 4.6 million gross square feet of State-owned buildings and reported on their maintenance condition. The ultimate goal is to inspect all State-owned buildings under the Department's jurisdiction every five years.

The Design-Build Institute of America presented DGS with the 2001 National Design-Build Award for the "Best Design-Build Public Sector Project over \$15 million" for the Miller Senate Office Building.



Facilities Planning, Design and Construction

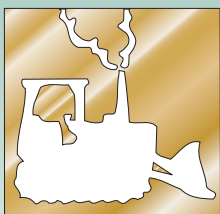
The Maintenance Engineering Division managed the following workload in FY 2002:

Type of Project	# of Projects	Estimated Construction Value
Capital Maintenance	76	\$22,229,065
Object 14 Maintenance	117	\$ 3,611,498
Haz Waste (asbestos, lead)	54	\$ 1,814,450
Program Open Space	77	\$ 2,465,958
Other (UA Oper, etc.)	61	\$ 5,951,468
Underground Heating Oil Tanks	4	\$ 500,000
TOTALS	389	\$36,572,439



“The expertise and responsiveness to our needs on this project is a great reflection of the professionalism of DGS.”

Laurie L. Stickelmaier, Vice President for Business and Finance, St. Mary's College of Maryland on removal of hazards from Calvert Hall.

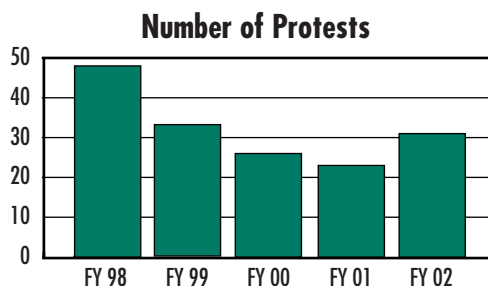


Procurement and Contracting

The Department of General Services is a primary procurement agency with numerous responsibilities for purchasing a variety of goods and services statewide. The Office of Procurement and Contracting (OPC) provides procurement support and expertise to DGS and to all other State agencies.

The Office of Procurement and Contracting assists its agency customers in meeting their missions through fair and equitable processes for the timely delivery of quality products and support services. OPC meets customer needs and achieves important socio-economic goals through effective use of resources. OPC customers include State agencies, county governments, municipalities, non-profit organizations and the vendor community with which DGS does business.

The integrity of the procurement process is very important to us. With almost 1,504 procurements, only 31 protests were registered in FY 2002; eleven were appealed to the Maryland State Board of Contract Appeals. Of the eleven appealed, one was sustained: three were dismissed, two were withdrawn, one was rescinded and four are currently under review.



CONSTRUCTION AND ARCHITECTURE/ENGINEERING CONTRACTING

The Construction and A/E procurement program provides a broad spectrum of procurement functions and administers contracts for construction A/E services, and construction related services, in a timely and cost effective manner.

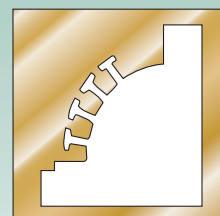
FY 2002 Highlights

- Significant projects awarded for design in FY 2002: New library, Morgan State University, \$3,975,538; New Academic Building, St. Mary's College, \$1,922,543; Support Services/State Use Industries Building, Maryland Correctional Institution for Women, Jessup, \$1,250,000; St. John's Archaeological Site Exhibit, Historic St. Mary's City Commission, \$1,199,952; New Student Services Building, St. Mary's College, \$1,087,820; Food Service Facility, Brockbridge Correctional Facility, Jessup, DPS&CS
- Significant construction projects bid and awarded: Consulting services for renovation of Mitchell Courthouse \$375,000; Silver Spring District Court \$16,384,828; Renovation of Main Bldg., BCCC \$13,811,121; 24 bed Eastern Shore Juvenile Detention Center \$7,852,009; Kitzmiller Coal Mine Reclamation \$1,141,845; Renovated Visitor Center, Jefferson/Pat Museum \$1,015,558; Renovations at Public Safety Training Center \$20,194,000

FACILITIES MAINTENANCE CONTRACTING

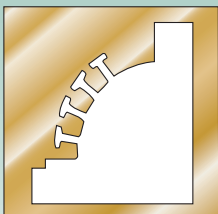
The Facilities Maintenance program provides support for day to day operations of State facilities (buildings, equipment) under the control authority of DGS. Typical contracts under this program are: HVAC, emergency generator and elevator maintenance, janitorial and guard services, recycling and trash removal.

DGS manages procurement of materials, supplies and equipment used by Maryland agencies. These contracts are also available to local governments, leveraging the buying power of the State.



Procurement and Contracting

The DGS Presort Mail contract saves State agencies more than \$2.3 million annually for 27 million pieces of first class mail.



Facilities Maintenance provides information on pricing trends for assistance in budget projections and enhancement requests by tracking data on hourly billing rates for guard services and costs per square foot for janitorial contracts.

E-commerce: Facilities Maintenance currently solicits and bids 100% of all services exclusively online promoting membership by qualified known vendors. FY03 goal is to provide assistance to Capital Maintenance through the transition to 100% online solicitation and bidding. Currently all Maintenance (Facilities and Capital) contracts are advertised on **eMaryland Marketplace**.

FY 2002 Highlights:

- In accordance with Senate Bill 686, fifteen contracts with a total value of \$3.9 million were identified for inclusion of the Hiring Agreement. As a result, 29 positions were provided which Temporary Cash Assistance customers were offered the first right of refusal.
- The Fuel Management Contract was solicited and awarded, providing 10.2 million gallons of gasoline, diesel, oil and compressed natural gas (CNG) for statewide use, an estimated annual savings of \$409,638.
- The Day Care Services contract, with an estimated value of \$4.3 million was solicited and awarded, providing care for the children of State employees at the Crownsville People's Resource Center and the Annapolis Day Care Center.
- Comprehensive building management for the newly constructed Juvenile Justice Center in Baltimore City was solicited and awarded to a certified Minority Business Enterprise with an estimated value of \$5.7 million.
- Usage of the Baltimore/Metro Region trash removal contract has increased from the 30 facilities originally identified by the contract to 61, including UMBC, MTA and Howard County Public Schools.

COMMODITY PROCUREMENT

Commodity Procurement continues to be in the forefront as a service-oriented program dedicated to providing leadership, assistance and support in the acquisition of equipment and supplies that enable State agencies to complete their missions in a fiscally and socially responsible manner.

DGS Commodity Procurement takes the lead in providing State agencies with the ability to acquire a vast array of equipment and supplies totaling over \$190 million annually through electronic solicitation on **eMaryland Marketplace**.

More than \$145 million was spent in FY 2002 to provide State agencies, through Intergovernmental Cooperative Procurements, Preferred Providers and the private sector, contracts to supply road salt, office supplies, replacement lamps, furniture, printing and pharmaceuticals.

Revised contracts were made available to State agencies to enable the acquisition of an expanding market of environmentally-friendly products such as recycled paper products, composite lumber, re-refined oil, low mercury replacement lamps, along with procurements for additional equipment to assist Maryland Public Television in its continuing digital broadcast upgrade.

Multiple award contracts that afford State agencies access to multiple manufacturers of lawn care and general grounds maintenance equipment and hand tools at direct discounts of 5% to 49% off manufacturers published prices were continued.

Procurement and Contracting

BOARD OF PUBLIC WORKS ADMINISTRATION

The Board of Public Works Administration supports the Department by formulating and disseminating the Department's Action Agenda to the Board of Public Works (BPW); advising the Secretary on matters related to the Agenda; processing contract awards made through the BPW and the Departmental Procurement Review Board (DPRB) including bonding and insurance verification; and management of Bid/Proposal Administration.

Over the past fiscal year, the program has assisted the Department in processing 2,078 procurements totaling \$1,023,672,521.

PROCUREMENT LAW AND STATE POLICY

Since first promulgated in 1982, State Procurement Law and regulations have been modified over time to further a number of social and economic goals.

Preferred Providers

Through the Preferred Provider Program, State law establishes a means of obtaining additional socio-economic benefits in the procurement process. This is accomplished by ensuring that the Department of Public Safety and Correctional Services' State Use Industries and businesses foster training and opportunities for physically and mentally challenged citizens. These Preferred Providers have the first right of refusal for contracts to provide State agencies with goods and services contained in a Master List of products maintained and published by DGS.

State Use Industries

State Use Industries is a unit of the Division of Correction of the Department of Public Safety and Correctional Services. It is authorized by law to use prison labor to produce goods or services for sale to public entities and certain not-for-profit organizations.

For the second consecutive year, State Use Industries set a new record for inmate employment. There are currently 1,411 inmates employed, up from 1,377 last year. State Use Industries' sales for the year totaled approximately \$42 million, an increase of \$4 million. In order to better meet the needs of customers, SUI implemented a Quick Ship Program during the current year.

Blind Industries and Services of Maryland (BISM)

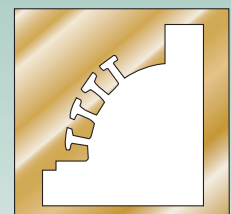
This is the entity designated by law to produce supplies manufactured and assembled by processes involving blind workers. BISM was an **eMaryland Marketplace** pilot vendor. This year BISM added computer accessories to its list of products. Contracts with the State for FY 2002 were valued at \$1,253,131.

Certified Sheltered Workshops

A sheltered workshop is an agency organized under the laws of the United States or the State and certified as a sheltered workshop by the Wage and Hour Division of the United States Department of Labor. Furthermore, it is accredited by the Division of Vocational Rehabilitation of the State Department of Education. A sheltered workshop is to be operated in the interest of individuals who have a mental or physical disability (including blindness) that constitutes a substantial handicap to employment and prevents the individual from engaging in normal competitive employment. Its net income must not contribute wholly or partly to the benefit of any shareholder or other individual.

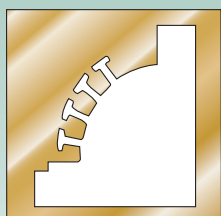
The Certified Sheltered Workshops Program is administered by Maryland Works, Inc., an **eMaryland Marketplace** vendor. The program has 152 contracts with

*Goods and
services offered
by Preferred
Providers are
available on the
DGS Web site:
www.dgs.state.md.us*



Procurement and Contracting

Small businesses in Maryland participated in more than \$4.8 million in State purchases.



State agencies totaling a not-to-exceed amount of \$27,976,724; an increase of approximately \$4 million from last year. The Community Service Providers employ over 5,000 individuals working to help others achieve full employment opportunities and access.

Master List

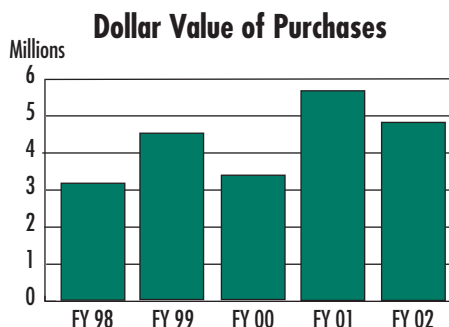
The Master List is a catalog of all the goods and services offered by the Preferred Providers. This information is easily accessible on the DGS web site at www.dgs.state.md.us

Acceptable Recycled Products List

The Acceptable Recycled Products List contains recycled items currently under State contracts, as well as other information. This information is also available on the DGS web site and is part of the State's effort to promote environmental sustainability. Maryland Procurement Law includes a price preference for recycled materials to further encourage their use.

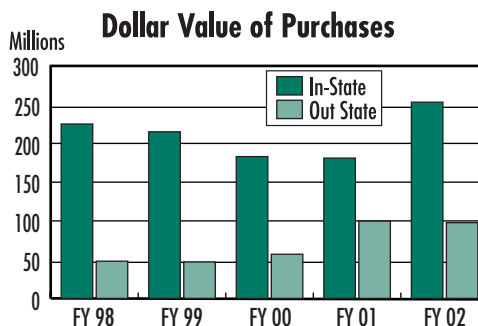
Small Business Awards

Procurement Law also provides a small business preference. The State made 371 awards to small businesses in FY 2002 for more than \$4.8 million.



In State/Out State Purchases

As allowed by law, DGS is committed to the success of Maryland-based companies. The ratio of in-state/out-of-state purchases continues to exhibit the careful attention OPC directs to Maryland businesses. During FY 2002, there were 1,053 in-state awards totaling \$253.2 million vs. 451 out-of-state awards totaling \$134 million.



TECHNOLOGY

The Technology Program provides support and training for the Advanced Purchasing and Inventory Control System (ADPICS) and *eMaryland Marketplace* (eMM), the State's technology-based procurement and procurement information systems. As part of this support, the program manages Statewide

Procurement and Contracting

vendor and commodity tables in the ADPICS legacy system, to gather meaningful statistical data including that for Small and Minority Business utilization and contract awards.

eMaryland Marketplace has demonstrated significant growth over the past year, with more than 2,100 participating vendors and over \$240 million in opportunities posted. More than 500 users have been trained including many from county and municipal governments.

Throughout the “dot-com” crash of 2001, **eMaryland Marketplace** continued to prosper and grow. **eMaryland Marketplace**, too, was affected by the economic downturn of the dot-com industry. The provider of the eCatalog module experienced financial difficulty and entered into bankruptcy causing Science Application International Corporation (SAIC), the company responsible for providing and overseeing the **eMaryland Marketplace** site to select a different platform for eMM’s catalog module: iPlanet, a Sun Microsystems’ product. With a user-friendly interface and a growing choice of catalogs, buyers wishing to purchase from State contracts are better served now than in the past. **eMaryland Marketplace** continues to be a “work in progress.”

ENERGY PROCUREMENT

Electricity Procurement

As a result of OPC’s successful procurement of electricity generation and transmission, a contract for the State’s industrial P accounts was executed effective July 1, 2002. The procurement met all objectives of the Electricity Deregulation Advisory Committee (EDAC) and the Governor’s aggressive green power goal while limiting the cost increase to a manageable level.

The procurement specified that six percent of the electricity be provided from green generation sources. PEPCO Energy Services is providing green power derived from landfill gas and municipal solid waste. At six percent, Maryland achieved the highest Green Power utilization of any state. This \$2 million annual investment in Green Power sends an important message to the industry and, by encouraging the development of the Green Power market, sets the stage to achieve higher goals in future procurements.

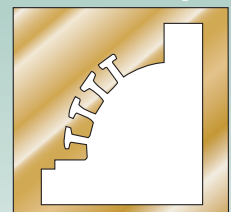
Natural Gas Procurement

The pricing of natural gas escalated significantly over the last year and a half, impacting agency operating budgets. The State achieved some cost avoidance as a result of a fuel switching agreement in the contract between the vendor and those facilities that could use fuel oil in lieu of natural gas for winter heating loads. The strategy netted savings of \$540,000 to the State. Maryland’s second state-wide natural gas procurement was conducted in the last quarter of FY 2001 and resulted in a contract for a two-year period with three one-year options. The contract provides turn key natural gas service at a locked average aggregate price.

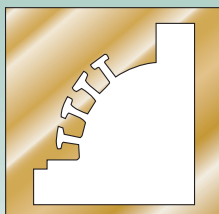


“By reducing energy demand to avoid the problems facing other states, Maryland is positively impacting the future of our environment, helping its citizens live healthier lives and, is freeing up millions of dollars previously used to pay for energy.”

Michael Army, President of the Leonardo Academy, a nonprofit environmental organization.



DGS
Duplicating
Centers
produced 18.7
million copies
for more than
100 customers.



VISUAL COMMUNICATIONS AND DIGITAL IMAGING

Visual Communications & Digital Imaging (VCDI) provides central support for all State government activities relating to the design, printing, storage, and retrieval of printed materials. The services provided by VCDI include: graphic design; offset duplicating; high-speed digital duplicating; digital color printing/duplicating; Computer Output to Microfilm (COM); Computer Output to Laser Disk (COLD); Conversion of Paper Documents to Electronic Files; Conversion of Microfilm to Electronic Files; Document and Drawing Microfilming; Processing of Microfilm; mail processing and courier services; and records storage, management, and retrieval.

FY 2002 Highlights

- The Central Graphics unit and Baltimore/Annapolis duplicating centers designed documents and produced 18.7 million copies for more than 100 State and local government and private customers.
- The Digital Imaging Division added microfilm scanning to its services.
- The DGS mailroom processed over 380,000 pieces of mail for distribution by United Parcel Service and by the U.S. Postal Service under the State's bulk mail contract.
- The DGS courier service provided service to 30+ State agencies throughout Baltimore, Annapolis and Jessup.
- The Forms Management Program reported a 3.9% reduction in forms, exceeding the 3% Joint Legislative Audit Committee's forms reduction goal.

RECORDS MANAGEMENT

The Division manages the records of all departments and agencies of Maryland State government and helps prepare retention and disposal schedules for those records. By law, no public records of State agencies can be destroyed without scheduling and the prior approval of the State Archives. At the Records Management Center in Jessup, the Division stores inactive State records, which must be retained for specified periods of time to meet State legal and administrative needs.

The Division also coordinates the *Forms Management Program* and the forms management plans of each department or agency to minimize the number of forms needed. In FY2002, forms were reduced by 3.9 percent compared to 3.2 percent in FY 2001. Additionally, 58 percent of State departments and agencies switched to electronic forms that are available on the Internet.

Logistics and Special Projects

INVENTORY STANDARDS AND SUPPORT SERVICES DIVISION

Inventory Standards and Support Services (ISSSD) oversees Statewide management of inventory of materials, supplies, foodstuffs and State personal property. The Division provides agencies with technical automated inventory control assistance, establishes procedures and auditing programs to assure compliance with State Regulations and control standards. The Division is the disposal authority for disposition of excess and surplus personal property. ISSSD also manages the Department's Fleet Management Program consisting of 110 motor vehicles and the Statewide Automated Fuel Dispensing and Management System with 86 refueling stations located in Baltimore City and every Maryland county.

FY 2002 Highlights

- Implemented the Excess Property Control Network (EPCN) and conducted EPCN training for user agencies
- Conducted 24 Inventory Compliance Audits as a result of Legislative Audit Reports of Missing/Stolen Property statewide totaling \$5.53 million
- Processed 2,687 Excess Property Declarations involving 139,973 excess and surplus property items with an original acquisition value of \$66.2 million.
- Assisted Charles County in the tornado recovery effort.
- The Statewide Fuel Dispensing and Management System dispensed 10.28 million gallons in gasoline, diesel, motor oil and compressed natural gas. Total savings was \$409,638. Since the June 1991 inception of the program, savings total \$3.78 million
- Replaced 115 optical card readers with magnetic card readers at 86 Statewide Fuel Dispensing and Management System locations.
- Directed the installation of fuel management and tank monitoring equipment at the Camp Frettered Military Reservation.
- Assisted the Maryland Energy Administration in the installation of a Compressed Natural Gas facility at the Maryland Port Administration and the Annapolis State Police barracks.
- Supervised the auctioning of 1,226 operable/inoperable surplus State motor vehicles which returned \$2.61 million to State agencies.
- Completed Driver Training Program for DGS employees.
- As a member of the Governor's Fleet Safety Committee, conducted "Train the Trainer" driver training program for other State government agencies.

Since its inception, the 86 station Fuel Management Program has saved Maryland taxpayers \$3.78 million.

The number of Compressed Natural Gas stations now totals four.



Expanding outreach efforts to the minority business community resulted in 13.8% MBE vendors for eMaryland Marketplace.



MINORITY BUSINESS ENTERPRISE OFFICE

DGS has a comprehensive MBE program in place to expand the State business conducted with minority and small businesses. The MBE officer is responsible for administering the State's policies and standard operating procedures for all areas of DGS procurement.

In FY 2002, DGS awarded \$313.9 million in contracts requiring minority business participation. Of that amount, \$41.2 million or 13.12% was awarded to certified MBEs. Although the Department did not reach the overall 25% MBE goal, in some important categories DGS exceeded 25% MBE participation. The following table illustrates the procurement categories and the corresponding MBE dollars and percentages that were obtained.

	Construction	Maintenance	Services	Architect/ Engineering	Commodities	Totals
Total \$	\$70,035,989	\$38,744,086	\$4,711,572	\$11,386,785	\$189,083,928	\$313,962,360
MBE \$	\$23,674,144	\$10,265,842	\$89,711	\$3,845,809	\$3,248,665	\$41,214,171
MBE %	33.8%	26.5%	1.9%	33.7%	1.72%	13.12%

The Department exceeded the 25% MBE goal in the construction, maintenance, and A/E procurement categories. These three important categories provide significant employment opportunities to minority and women owned businesses.

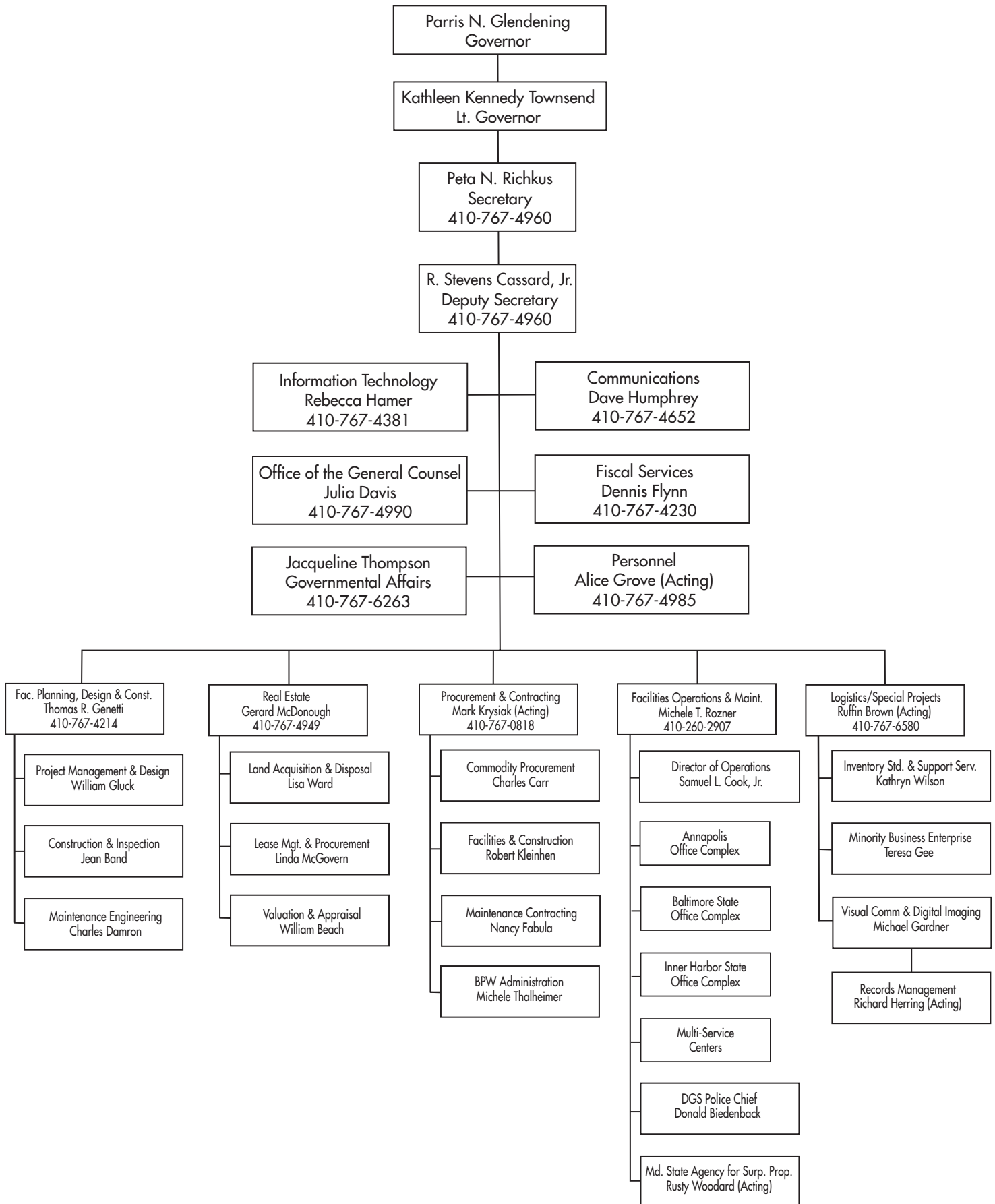
More than 60% of the Department's total procurement dollars are in the Commodities (Supplies and Equipment) category. Within some of the Commodity categories very few, if any, MBE vendors are available, especially in the areas of energy related services, pharmaceuticals (which are purchased very economically via a multi-state agreement) and several other items purchased under Statewide Blanket Purchase Orders (BPO). The six largest Statewide BPOs, totaling \$97,255,879 offer no or very limited MBE opportunities. Removing them from the calculation results in the Department's overall MBE participation percentage increasing to 17.94%.

FY 2002 Highlights

- Ensured expanded opportunities for the minority business community with the solicitation of proposals for the new Maryland African American Museum of History and Culture. The goal is 30%.
- Construction of an addition to the Enoch Pratt Library in Baltimore was awarded for \$10,611,590. Of that amount, \$3,030,650 or 30%, was awarded to certified minority businesses.
- Construction of the Public Safety Training Center was awarded for \$20,194,000. Of that amount, \$5,077,625 or 25.14%, was awarded to certified MBEs.
- The renovation of the James Senate Office Building was awarded for \$10,402,000. Of that amount \$2,084,000 or 20%, was awarded to certified MBEs.
- Participated in four statewide outreach workshops which concentrated on the Hispanic business community. Other small and minority businesses also participated in the workshops.



Maryland Department of General Services FY 2002



Mandated Annual Reports

<u>Title</u>	<u>Reporting to</u>	<u>Due Date</u>
Anticipated debt during next seven-month period	State Treasurer (Semi-annual)	1-1 7-1
Acceptable recycled products list	Distributed to all State Agencies	1-1 7-1
Equal employment opportunity	Governor	1-1
Proposed expenditures for capital improvements	Department of Planning	6-30
Statewide Records Inventory Report (Chapter 286, Acts of 1984)	State Archives (Due every five years)	7-1-2000 7-1-2005
MBE notification Report on Complete Listing of all recurring solicitations expected to be \$100,000 or more	Governor, Office on Minority Affairs	8-1
Recycled materials percentage price preference	Department of Environment	9-1
Records Management Division/Forms Management (Chapter 286, Acts of 1984)	Joint Audit Committee of The General Assembly	9-1
Contracts for services exceeding \$100,000, and sole source, emergency and expedited procurements	Governor and General Assembly	9-30
Effectiveness of Small Business Preference Program	Legislative Policy Committee, Board of Public Works	9-30
Procurement contracts awarded to Minority Business Enterprise	Office of Minority Affairs, Board of Public Works, Legislative Policy Committee	9-30
Contracts performed outside of the State or Washington, D.C. (Except from public notice requirements)	Governor, General Assembly	9-30
Each procurement for which the non-competitive negotiated procurement method (NNPM) has been approved	Board of Public Works, General Assembly	9-30
Internet project plan (Chapter 5, Acts of 2000)	Department of Budget & Management	11-1
Smart Growth & Neighborhood Conservation (Chapter 759, Acts of 1997)	Department of Planning	11-30
Agency annual report	Governor	12-1
Comprehensive maintenance & repair	Board of Public Works, Department of Budget & Management, Department of Planning	12-31
Maryland Green Buildings Annual Report	Governor	11-15
Status and Use of the Construction Contingency Fund established in the General Construction Funds of 1988, 1990, 1992-93 and 1995	Maryland General Assembly	12-31

Cover Art: An artist's rendering of the Maryland State House and the restored acorn finial and pedestal, constructed of native cypress by Maryland woodworkers in 1996 to replace a 208-year-old weather-worn acorn designed by Annapolis Master Builder Joseph Clarke in the late 1700s.

History: The State House Dome Restoration Project stabilized and repaired the upper portions of the dome, including removal of the original acorn and installation of a new one. Created by Maryland woodworkers, the acorn has 31 horizontal wheels made of Maryland cypress that were glued and bolted together, replicating the 1700s design.

DGS is proud of its role in restoring this highly visible part of the Maryland State House and ***DGS-proud*** of two awards recognizing this achievement: the 1999 Historic Annapolis Foundation Preservation Award; and the 1997 Maryland Historical Trust's Calvert Prize, Maryland's most prestigious conservation award.



State of Maryland
Department of General Services
301 West Preston Street, Suite 1401
Baltimore, Maryland 21201

1-800-449-4347

www.dgs.state.md.us

PRINTED ON RECYCLED PAPER