



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES

OFFICE OF THE SECRETARY

717.787.5996

March 2, 2022

The Honorable Stanley Saylor  
245 Main Capitol Building  
PO Box 202094  
Harrisburg, PA 17120-2094

The Honorable Matthew Bradford  
512E Main Capitol Building  
PO Box 202070  
Harrisburg, PA 17120-2070

**Re: Department of General Services (DGS) House Budget Hearing Appropriation Response**

Dear Chairmen Saylor and Bradford,

Thank you for providing me with the opportunity to follow-up on several of your questions from our budget hearing. Below find the questions asked by specific members during the hearing and DGS's responses.

**Representative Fritz:** *What is the status of SCI-Retreat and SCI-Graterford? What are the carrying costs for those properties?*

Neither of these properties have been formally declared as surplus by the Department of Corrections (DOC). Therefore, any questions pertaining to the properties should be directed to DOC.

**Rep. Natalie Mihalek:** *I'm having a hard time understanding why childcare reimaged will cost \$30 million. Why is that necessary when current facilities are not full? Is that income based? Who is eligible? Will there be installation of new facilities? What would the average subsidy be?*

While \$2 million would be allocated to supplement existing on-site programs, the remainder would be used to establish a reimbursed expense program for commonwealth employees so they can use that benefit to obtain childcare at a reduced cost. Many finer details are still to be determined, but initially we would want to shore up existing facilities. Our intention is to provide this program to help make the commonwealth a premier employer moving forward. The subsidy will be a sliding scale based on salary and will be between \$1,000 and \$5,000 per employee. It is important to note, all full-time employees of the Commonwealth, General Assembly, and Judiciary will be eligible to utilize the on-site locations.

**Representative Bullock:** *Please provide the percentage each minority group receives within the total Small Diverse Business (SDB) spend.*

As indicated during the hearing, DGS does not have the capacity to further breakdown the data by ethnicity. That would require SDB certification authorities to collect and share ethnic data, which they do not do currently. It would also require modifications to our SAP and PRISM computer systems.

Below is a breakdown of spend amongst the various groups within the SDB/VBE categories.

<b>Categorical Spend and % of Total Spend</b>					
Commonwealth Categories	2016	2017	2018	2019	2020
<b>MBE/MWBE</b>	<b>\$114,636,821</b>	<b>\$155,011,858</b>	<b>\$180,589,689</b>	<b>\$161,849,145</b>	<b>\$217,489,514</b>
WBE	\$104,154,391	\$154,984,984	\$279,302,288	\$184,167,711	\$264,888,866
LGBTBE	\$2,585	\$105,929	\$143,500	\$126,328	\$96,441
DOBE			\$30,229	\$3,598	\$4,852
SDVBE	\$2,866,969			\$9,030,089	\$12,757,319
VBE	\$22,165,786			\$12,669,750	\$16,908,985
SDVBE/VBE		\$19,424,253	\$24,495,273		
<b>TOTAL \$</b>	<b>\$243,826,552</b>	<b>\$329,527,024</b>	<b>\$484,560,979</b>	<b>\$367,846,621</b>	<b>\$512,145,977</b>
<b>MBE/MWBE %</b>	<b>2.41%</b>	<b>3.27%</b>	<b>4.10%</b>	<b>4.39%</b>	<b>5.15%</b>
WBE %	2.19%	3.27%	6.34%	4.99%	6.27%
LGBTBE %	0.00%	0.00%	0.00%	0.00%	0.00%
DOBE %			0.00%	0.00%	0.00%
SDVBE %	0.06%			0.24%	0.30%
VBE %	0.47%			0.34%	0.40%
SDVBE/VBE %		0.41%	0.56%		
<b>TOTAL % of Commonwealth Spend</b>	<b>5.13%</b>	<b>6.95%</b>	<b>11.00%</b>	<b>9.97%</b>	<b>12.12%</b>
Total Spend	\$ 4,753,794,240	\$ 4,741,000,408	\$ 4,405,260,673	\$ 3,689,203,668	\$ 4,225,352,805
Prepared by BDISBO February 17, 2022					

**Representative Mako:** Please explain what is included in the \$2.9 million line item that supports effective and efficient service delivery.

The additional \$2.944 Million is to support 32 new positions that were identified as General Government Operations (GGO). The position breakdown is as follows:

- Property and Asset Management Deputate - 25 positions to adequately staff our facilities, thus ensuring the safety and cleanliness of the historic buildings of the Capitol Complex and its surrounding area.
- Bureau of Diversity, Inclusion, and Small Business Opportunities - Three positions to provide program support and to maximize program utilization and compliance.
- Administration Deputate - Three positions to support the Bureau of Real Estate in the effective and efficient use of lease contracts and to support surveyor services.
- Commonwealth Media Services – One position to support the growing technical consulting needs of agency clients.

**Rep. Mullins:** What is the level of coordination with other agencies on the 5G transition?

DGS has not been directly involved in any of the regulatory matters on that issue. We are aware of potential issues with 3G devices interfering with emergency response in the future. We would defer to the Pennsylvania Emergency Management Agency (PEMA) on any questions pertaining to emergency response.

**Representative Lawrence:** What is the cost of the lease for the PPE Warehouse?

This lease is for an initial 5-year term at an annual cost of \$3,031,880 for the first year with an annual CPI adjustment.

**Representative Wheeland:** What is the dollar amount of pending purchase orders?

Total Past Due Purchase Orders			
	PO's	Lines	Amount
Non-construction*	10,765	51,403	\$1.392b
Construction service	1,807	4,289	\$0.373b
Construction materials	820	1,093	\$0.009b
Total	13,392	56,785	\$1.774b

Non-construction Aging Analysis			
	PO's	Lines	Amount
> 1 year	1,224	4,824	\$101.8m
9 - 12 months	611	2,594	\$56.3m
6 - 9 months**	4,075	17,182	\$514.6m
3 - 6 months	3,012	13,744	\$275.9m
0 - 3 months	1,843	13,059	\$443.7m
	10,765	51,403	\$1.392b

\* Includes Furniture, Fixtures, and Equipment (FF&E) for new construction

\*\* New fiscal year spending

**Representative Schmitt:** How much did the state pay in fuel costs in 2021?

\$48.6 million.

Chairmen Saylor and Bradford

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**Rep. Schmitt:** *Has the chip shortage affected our ability to replace vehicles?*

The chip shortage has not impacted our ability to replace law enforcement vehicles in a timely and efficient manner. We have experienced some delays regarding non-law enforcement vehicles, but we continue to engage in conversations with the manufacturers around lead time. This has caused us to utilize existing inventory a little bit longer than we would normally prefer.

**Representative Struzzi:** *How many buildings are listed as surplus and what is the value of those properties? What are the carrying costs?*

We currently have 17 surplus properties with an estimated value of \$8.9 million and \$2.8 million in annual carrying costs. As noted in our hearing, we cannot officially dispose of surplus property on our own. The disposition of state surplus property requires an act of the General Assembly. We currently have twelve pending pieces of land disposition legislation formally introduced and awaiting action by the General Assembly. We will continue to pay carrying costs until such legislation is enacted.

Sincerely,



Curtis Topper  
Secretary