



DEPARTMENT OF
GENERAL SERVICES

Department of General Services

Internal Service Fund Request
Seat of Government Rent Plan

Report to JLARC
November 3, 2004



DGS Internal Service Funds

- Accounting Method
 - Business/Enterprise Model
 - Cost Allocation Allows Distribution to All Fund Sources, and
 - Distributes overhead (i.e. Capitol Square, Lee Monument, etc.)
- Not Profit Centers
- Annual/Periodic Review Assures:
 - Rates Are Reasonable
 - Balances Not Excessive



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Request

- Increase rent charges to agencies assigned office space at Seat of Government (Maintenance & Operations costs), and
- Rates charged for labor in buildings with service agreements or special projects



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Rent Plan

- Applies to DGS Maintained Buildings at Seat of Government
 - 2.1 million Square Feet Managed
 - \$21.4 million request (increase of @ \$1.3 million) supports:
 - Housekeeping,
 - Grounds,
 - Trades,
 - Plans/Design
 - Utilities,
 - IT Network Infrastructure,
 - Payment in Lieu of Taxes, etc.
- Total charges at requested rates = @ 6.4% increase from FY 04, made up of:
 - 3% Employee Salary Increase Nov. '04, positions & overtime (\$575,000),
 - Coverage to bring Madison Building, old Library, on-line
 - Filling safety, security posts and disability vacancies
 - Utility Cost Increases which began last fiscal year (\$750,000)
 - (gas, electricity, water, sewer, etc.)



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Rent Plan

per square foot charges

	<u>FY 03</u>	<u>FY 04</u>	FY 05 <u>Request</u>	<u>%</u>
Office	\$11.47	\$11.47	\$12.19	6.3%
Storage	3.75	3.75	3.75	0.0%
Mansion	13.23	13.23	13.23	0.0%
Library	9.03	9.48	9.48	0.0%
Laboratory	19.56	15.45	15.49	0.3%



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Building Maintenance

- Rates/Charges for non-DGS Controlled Buildings
 - i.e., GAB, SCC, Transportation (part), etc.
- Contracts/Agreements with Agencies
 - DGS Contracts Out Many Services (i.e. Housekeeping)
- PPEA – Performance (Asset) Management Proposal for Library of Virginia being considered
- Hourly Rates Reflect Salaries & Benefits
 - Benefits include employer share VRS, FICA, Medical, Disability, Deferred Comp, Annual & Sick Leave, Holidays & Overtime
- Requested Labor Rates (following page) are lower than private market/contract alternatives



Building Maintenance

billable hour charges requested

Trade	FY 04	FY 05 Request	% Change	Metro Richmond Area Benchmarks (R. S. Means)
Security	\$14.94	\$16.39	9.7%	N/A
Painter	\$22.67	\$25.02	10.4%	29.78
Electrician	\$24.26	\$27.10	11.7%	39.26
Sheet Metal	\$24.05	\$26.22	9.0%	39.87
HVAC Mechanic	\$26.32	\$28.92	9.9%	33.97
Plumber	\$23.25	\$25.86	11.2%	39.83
Carpenter	\$24.93	\$27.72	11.2%	34.44
Grounds Worker	\$18.75	\$21.29	13.5%	27.13
Housekeeping	\$18.48	\$20.20	9.3%	27.13
Project Mgt.	\$38.50	\$44.38	15.3%	N/A