

State of Alaska FY2010 Governor's Operating Budget

Department of Transportation/Public Facilities Southeast Region Construction Component Budget Summary

Component: Southeast Region Construction

Contribution to Department's Mission

Construct safe, reliable, and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- Contracts Branch: Reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. Coordinates, solicits, selects, prepares and administers professional services agreements.

FY2010 Resources Allocated to Achieve Results

| | | |
|---|-------------------|-----------|
| FY2010 Component Budget: \$7,817,600 | Personnel: | |
| | Full time | 41 |
| | Part time | 35 |
| | Total | 76 |

Key Component Challenges

The SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) Transportation Act has increased the level of Federal Highway Administration (FHWA) funds nationwide, creating competition across the country for trained and experienced construction engineering personnel. The State's engineers salary level has made it difficult to hire and retain experienced personnel. Although modest wage increases in recent years have helped, we are still having difficulties recruiting and retaining engineers, which is the reason for our unusually high vacancy rate.

Environmental issues continue to be a challenge. Environmental constraints in our coastal rain forest environment require extreme diligence on the part of our field staff and complicate nearly every contract modification being contemplated. This results in increased costs and additional time needed to develop and construct transportation projects.

Significant Changes in Results to be Delivered in FY2010

No significant changes are anticipated in FY2010.

Major Component Accomplishments in 2008

Received over \$67 million in federal highway, federal aviation, general fund, and reimbursable construction authorization in FFY08.

Processed approximately \$96 million in contractor payments in FFY08.

Completed major road reconstructions in Ketchikan (1.7 miles), Petersburg (7.5 miles), and Sitka (0.5 miles).

Completed pavement rehabilitation projects in Ketchikan (1.2 miles), Juneau (0.8 miles), and Haines (0.8 miles).

Opened Juneau's first grade-separated interchange to traffic (Egan Drive at Sunny Point).

Completed the replacement of the bridge bearings under Sitka's O'Connell Bridge.

Constructed improvements to the ferry terminal at Sitka, Pelican, and Haines.

Completed major expansions of the Runway Safety Areas at the Wrangell and Ketchikan airports.

Completed asphalt pavement overlays of the runways at Ketchikan Airport and Klawock Airport.

Completed the \$25.7 million design-build contract for the first stage of the Gravina Island Highway, which is the road component of the Gravina Island Access project. This project included 3.2 miles of new gravel road, 1.2 miles of widening of existing gravel road, and two minor concrete girder bridges.

Completed the first phase of the reconstruction of the boardwalk system in Pelican.

Completed the second berth Relieving Slab at the Ketchikan Shipyard.

Closed out 20 completed construction contracts totaling \$30.2 million in FFY08.

Obtained materials testing qualifications for 11 new technicians and engineers, and re-qualified 12 technicians and engineers under the Western Alliance for Quality in Transportation Construction program.

Statutory and Regulatory Authority

AS 02 Aeronautics
AS 08 Business and Professions
AS 19 Highways and Ferries
AS 34 Property
AS 35 Public Buildings, Works
AS 36 Public Contracts
AS 44 State Government
USC CFR 14 Aeronautics
USC CFR 23 Highways
USC CFR 41 Contracts
USC CFR 43 Lands
USC CFR 49 Transportation

| Contact Information |
|--|
| <p>Contact: Chuck Correa, P.E., Construction Engineer Phone: (907) 465-1795 Fax: (907) 465-2030 E-mail: chuck.correa@alaska.gov</p> |

Southeast Region Construction Component Financial Summary

All dollars shown in thousands

| | FY2008 Actuals | FY2009 Management Plan | FY2010 Governor |
|---|----------------|---------------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 6,425.3 | 7,247.8 | 7,346.3 |
| 72000 Travel | 88.8 | 75.0 | 75.0 |
| 73000 Services | 338.5 | 221.3 | 242.3 |
| 74000 Commodities | 142.4 | 132.0 | 154.0 |
| 75000 Capital Outlay | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Benefits | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 6,995.0 | 7,676.1 | 7,817.6 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 178.9 | 160.6 | 200.5 |
| 1061 Capital Improvement Project Receipts | 6,816.1 | 7,515.5 | 7,617.1 |
| Funding Totals | 6,995.0 | 7,676.1 | 7,817.6 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2008 Actuals | FY2009 Management Plan | FY2010 Governor |
|--------------------------------------|------------------------------|----------------|---------------------------|-----------------|
| Unrestricted Revenues | | | | |
| Unrestricted Fund | 68515 | 7.7 | 9.0 | 10.0 |
| Unrestricted Total | | 7.7 | 9.0 | 10.0 |
| Restricted Revenues | | | | |
| Capital Improvement Project Receipts | 51200 | 6,816.1 | 7,515.5 | 7,617.1 |
| Restricted Total | | 6,816.1 | 7,515.5 | 7,617.1 |
| Total Estimated Revenues | | 6,823.8 | 7,524.5 | 7,627.1 |

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|---|----------------------|----------------------|--------------------|--------------------|
| FY2009 Management Plan | 160.6 | 0.0 | 7,515.5 | 7,676.1 |
| Adjustments which will continue current level of service: | | | | |
| -Transfer PCN 25-2340 and Funding to Southeast Region Planning and Reclassify to a Planner | 0.0 | 0.0 | -30.0 | -30.0 |
| -FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements | 3.6 | 0.0 | 124.9 | 128.5 |
| -Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements | 36.3 | 0.0 | -36.3 | 0.0 |
| Proposed budget increases: | | | | |
| -Telecommunications Cost Increase - Field Offices | 0.0 | 0.0 | 21.0 | 21.0 |
| -Commodities Cost Increase - Field Offices | 0.0 | 0.0 | 22.0 | 22.0 |
| FY2010 Governor | 200.5 | 0.0 | 7,617.1 | 7,817.6 |

**Southeast Region Construction
Personal Services Information**

| Authorized Positions | | | Personal Services Costs | |
|----------------------|---------------------------------------|----------------------------|--------------------------------|------------------|
| | FY2009 Management Plan | FY2010 Governor | | |
| Full-time | 42 | 41 | Annual Salaries | 4,185,011 |
| Part-time | 35 | 35 | COLA | 133,303 |
| Nonpermanent | 3 | 3 | Premium Pay | 776,623 |
| | | | Annual Benefits | 2,550,753 |
| | | | Less 3.92% Vacancy Factor | (299,390) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 80 | 79 | Total Personal Services | 7,346,300 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Accounting Tech I | 0 | 0 | 1 | 0 | 1 |
| Administrative Clerk III | 0 | 0 | 1 | 0 | 1 |
| Eng Tech Journey | 0 | 0 | 7 | 9 | 16 |
| Eng Tech Sub Journey I | 0 | 0 | 3 | 0 | 3 |
| Eng Tech Sub Journey II | 0 | 0 | 2 | 9 | 11 |
| Eng Tech Sub Journey III | 0 | 0 | 1 | 9 | 10 |
| Engineer/Architect I | 0 | 0 | 0 | 1 | 1 |
| Engineer/Architect III | 0 | 0 | 2 | 0 | 2 |
| Engineer/Architect IV | 0 | 0 | 2 | 0 | 2 |
| Engineer/Architect V | 0 | 0 | 1 | 0 | 1 |
| Engineering Assistant II | 0 | 0 | 9 | 0 | 9 |
| Engineering Assistant III | 0 | 0 | 7 | 5 | 12 |
| Engineering Associate | 0 | 0 | 4 | 3 | 7 |
| Procurement Spec I | 0 | 0 | 1 | 0 | 1 |
| Procurement Spec III | 0 | 0 | 1 | 0 | 1 |
| Procurement Spec V | 0 | 0 | 1 | 0 | 1 |
| Totals | 0 | 0 | 43 | 36 | 79 |