

State of Alaska
FY2004 Governor's Operating Budget

Department of Transportation/Public Facilities
Administration and Support
Budget Request Unit Budget Summary

Administration and Support Budget Request Unit

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BRU Mission

The mission is to provide executive leadership, coordination with other governmental agencies and oversight of construction contracting and non-construction procurement activities.

BRU Services Provided

The Department of Transportation and Public Facilities (DOT&PF) is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between steady planned growth in the intermodal transportation system, which supports economic development and improved quality of life, and the effective management of maintenance and operations for the state's existing investment in transportation and public facilities infrastructure. This BRU contains the highest level of leadership necessary to ensure the department meets its statutory responsibilities.

The Section of Contracting, Procurement and Appeals develops, implements, and maintains policies, procedures, and standards that assure all transportation modes and regions receive responsive and consistent guidance, direction and training in administering construction and non-construction procurements and contracts.

BRU Goals and Strategies

- Define the future responsibilities of the department.
- Analyze the departmental organization to determine if we have the most efficient and effective structure.
- Develop sustainable revenue mechanisms that provide adequate funding to support development and operations of state transportation system and public facilities.
- Coordinate operating and capital budget requests and secure the necessary federal and state funding to meet all the statewide transportation needs.
- Work closely with executive and legislative branches to secure appropriate funding levels.
- Ensure proper procurement and contracting procedures are conducted by providing sufficient education, guidance and oversight.
- Ensure effective and efficient maintenance, operations, and construction activities are uniformly practiced throughout the department. The Deputy Commissioner of Aviation, Deputy Commissioner of Highways and Public Facilities and the Director of Marine Highways Operations provide a focused approach by serving as the Commissioner's representative, and by communicating common goals throughout the transportation modes they oversee.

Key BRU Issues for FY2003 – 2004

Key issues in the department are the levels and allocation of federal construction funds, compliance with federal environmental requirements, growth and redevelopment of the Anchorage International Airport and changes in the composition and service levels of the Alaska Marine Highway System. Leadership is needed to meet the challenge to maintain a positive and productive work environment, facilitate meaningful human resources development and ensure high levels of responsiveness to the general public in light of continued reductions in program funding.

Security of all transportation assets is still a main focus following the events of September 11, 2001. Continued communication and coordination with local, state and federal law enforcement is essential to respond to terrorist actions as well as natural disasters. Federal security regulations are still evolving for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. Additional resources are needed to implement mandated functions such as security management, inspection, access control, and administrative functions. The Commissioner's Office must keep abreast of the new requirements for all the modal functions and be able to direct resources to the changing priorities.

Continued active communication with contractors and construction industry representatives is needed to identify potential changes to claims adjudication statutes and regulations with the objective of creating alternatives to contractual dispute resolution. The desired result is a reduction in frequency, duration and cost of resolving contractual disputes.

Major BRU Accomplishments in 2002

- Gained legislative support for GARVEE bonds.
- Continued to make substantial changes to the Department's website. The changes provide easier access to web based services (e.g., AMHS reservations, bid specifications, etc.) and to information about the Department and its programs.
- Completed implementation of the Contracting Officers' Warrant System and provided the first level of training in a series of 6 levels to approximately 200 participants.
- Implemented agreements with the Bureau of Indian Affairs (BIA) for regional village participation on certain remote construction projects.
- Negotiated a final contract for development of the Maintenance Management System. Detailed design efforts began to modify the program to meet the unique requirements of the department.
- Obtained waivers from the requirements of the Transportation Security Administration to have law enforcement officers at each rural airport checkpoint during screening operations. This greatly relieved the workload of the local police departments.

Key Performance Measures for FY2004

Measure:

The percentage of divisions that reach assigned performance measures.

Sec 141(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

All divisions are either tracking legislatively assigned performance measures or performance measures that have been slightly modified. In those instances where goals have been established, the department is working toward reaching those goals though many can not be accomplished within a single year.

Benchmark Comparisons:

None.

Background and Strategies:

The department is in the process of purchasing software to gather and report data to aid in this effort. Knowing how well an organization is functioning is vital to good management. Performance measures are needed to tell whether we are getting the results we desire from our programs. They must tell us how effective and efficient we are or indicate where improvement is needed. The Department continues to gather data for the performance measures.

Measure:

The percentage of state national highway system lane miles of road that meet standards of the American Association of State Highway Transportation Officials.

Sec 141(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

After 5 years of a concerted effort to modernize the National Highway System (NHS) routes within Alaska, there are 1,424 miles (70%) of the NHS that meet national standards and 615 miles (30%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways in recent years to improve our highway systems for citizens and commerce while adding to safety.

Benchmark Comparisons:

Nearly all NHS routes nationally meet minimum geometric standards, except for capacity, pavement condition and bridge condition. Until recently, Alaska's NHS routes were far behind other states in meeting basic geometric standards of highway width, shoulder width, curvature and grade. The recent focus on NHS routes nationally, including the provision of new federal monies, has paralleled Alaska's recent strong push to bring our most important highways up to minimum geometric standards. The department continues to push for both bringing substandard sections of the NHS up to minimums, and addressing critical capacity shortfalls on NHS routes in urban areas.

Background and Strategies:

Projects for reconstruction of substandard NHS roads are programmed in the Statewide Transportation Plan for completion in 10 - 12 years, depending upon federal and state funding received.

Measure:

The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.

Sec 141(b)(5) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

The average time taken to respond to questions or complaints in writing or email was generally 3 weeks. This office does not currently track questions or complaints that are received by telephone. It is our intent to reduce response time to written requests. Collection of more data will be needed before a specific goal can be established.

Benchmark Comparisons:

We are not aware of any.

Background and Strategies:

The Commissioner's Office strives to respond to requests in a short period of time. The amount of time spent on a complaint or question depends on the complexity of the issue, the workloads of those designated to respond and the availability of information (e.g., it is difficult to get information from a project manager who is working at a remote site).

Measure:

The percentage of protests and claims appealed to the commissioner that courts overturned during the fiscal year.

Sec 142(b)(3) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

The department's continued goal is to render construction related appeal decisions that are fair and legally sound. Few DOT&PF adjudicating decisions should ever be appealed to the courts, and for those that are, none should be overturned by those appellate court proceedings. There were no protest or claims appeals in the courts that were overturned in FY2003. Prior to FY2002, 3 construction related appeals were in the appellate court. In FY2002, two appeals (one construction claim and one airport leasing issue) were elevated to the appellate courts. All five cases now await the courts' determination.

Benchmark Comparisons:

There is no established national standard or information from which to gauge this performance measure.

Background and Strategies:

From 1992 through September 12, 2002, 63 construction related appeals were directed to formal hearing. This does not include those appeals receiving a direct decision by the Commissioner.

Appeals adjudicated by the department's administrative hearing process average 6.3 per year.

Of the 63 appeals taken to hearing from 1992 through September of 2002:

- 33 were claims,
- 26 were protests, and
- 4 were in the lease category.

The resolution of those 63 appeals has been:

- 15 were settled before hearings started.
- 43 were adjudicated through the hearing process or, in some instances, partially heard (i.e, settlement was reached during the hearing process, thus stopping it).
- 5 (as of Sept. 11, 2002) were still before hearing officers.

Of the 43 appeals that have been adjudicated, 11 were resolved in appellate court by:

- one being remanded for settlement;
- the State prevailed on 10 (i.e., the original administrative decision of the Department was upheld)

It is our goal to continue with providing fair and soundly based appeal officers' decisions such that the courts, when these cases are reviewed on appeal, will uphold and not overturn the department's administrative decisions.

Measure:

Whether the department fully implements the maintenance management system statewide by June 30, 2003.

Sec 149(b)(4) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

The department negotiated and signed a contract to acquire Maintenance Management System software and consulting services to modify the software to meet specific department needs. A complete review of the maintenance business practices was undertaken to align the regions' operations into performing consistently. New software modules are being designed that will enable the department to report work efforts and costs using the same approach and techniques.

The Contractor is writing the software code to support the changes to the core modules. The system design is nearing completion for the new modules. A pilot program will deploy in Juneau, Palmer and Tok beginning March 15, 2004, for test application before statewide deployment. November 30, 2004 is the planned full deployment and implementation target date.

Benchmark Comparisons:

No benchmark has been established.

Background and Strategies:

The department has determined that a Maintenance Management System (MMS) will be an effective tool to better manage the state's transportation assets. The system will allow managers to better plan and program expenditures, monitor budget performance and better track major cost items, such as snowstorms, floods and federal preventative maintenance efforts. Not only will managers be able to decide on resource allocations, but the system will eventually assist in determining desired levels of service and funding impacts on maintenance service levels.

It is envisioned that the MMS will be implemented in a phased multi-year approach starting in FY03. Initial work has focused on modifying the existing core software to meet Alaska's specific needs. Efforts will then focus on establishing a maintenance feature inventory using standard units of measure, automation of deferred maintenance needs assessment, and establishment of a maintenance quality assurance program. These precursors will provide immediate useful information and tools.

**Administration and Support
BRU Financial Summary by Component**

All dollars in thousands

| | FY2002 Actuals | | | | FY2003 Authorized | | | | FY2004 Governor | | | |
|--|----------------|---------------|----------------|----------------|-------------------|---------------|--------------|--------------|-----------------|---------------|--------------|----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| <u>Formula Expenditures</u> | None. | | | | | | | | | | | |
| <u>Non-Formula Expenditures</u> | | | | | | | | | | | | |
| Commissioner's Office | 709.8 | 852.1 | 1,756.3 | 3,318.2 | 0.0 | 0.0 | 0.0 | 0.0 | 655.4 | 0.0 | 361.9 | 1,017.3 |
| Contracts, Procurement, Appeals | 278.8 | 0.0 | 261.0 | 539.8 | 261.4 | 0.0 | 223.0 | 484.4 | 236.4 | 0.0 | 224.0 | 460.4 |
| Transportation Mgmt & Security | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 18.0 | 340.0 | 358.0 | 0.0 | 0.0 | 402.7 | 402.7 |
| Totals | 988.6 | 852.1 | 2,017.3 | 3,858.0 | 261.4 | 18.0 | 563.0 | 842.4 | 891.8 | 0.0 | 988.6 | 1,880.4 |

Administration and Support
Proposed Changes in Levels of Service for FY2004

No service changes.

Administration and Support
Summary of BRU Budget Changes by Component
From FY2003 Authorized to FY2004 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2003 Authorized | 261.4 | 18.0 | 563.0 | 842.4 |
| Adjustments which will continue current level of service: | | | | |
| -Commissioner's Office | 79.6 | -170.0 | 58.9 | -31.5 |
| -Contracts, Procurement, Appeals | 0.0 | 0.0 | -7.3 | -7.3 |
| -Transportation Mgmt & Security | 0.0 | -18.0 | 62.7 | 44.7 |
| Proposed budget decreases: | | | | |
| -Contracts, Procurement, Appeals | -25.0 | 0.0 | 0.0 | -25.0 |
| Proposed budget increases: | | | | |
| -Contracts, Procurement, Appeals | 0.0 | 0.0 | 8.3 | 8.3 |
| FY2004 Governor | 891.8 | 0.0 | 988.6 | 1,880.4 |