State of Alaska
FY2004 Governor's Operating Budget

Department of Transportation/Public Facilities
Regional Support Services
Budget Request Unit Budget Summary

Regional Support Services Budget Request Unit

Contact: Nancy J. Slagle, Director, Division of Administrative Services
Tel: (907) 465-3911 **Fax:** (907) 465-3124 **E-mail:** Nancy_Slagle@dot.state.ak.us

BRU Mission

The mission of the Regional Support Services BRU is to provide leadership and accountability of regional activities and to support regional operations with quality procurement, current information technology and budgetary services.

BRU Services Provided

- The Regional Director's offices provide management oversight of all functions of the organization and act as liaison between divisions and between the department and other agencies and the public.
- The support service offices provide management support and budget coordination to all operating divisions in each region, with additional support to regional staff of Headquarters and statewide divisions and the International Airports.
- The procurement offices are responsible for the purchase and delivery of supplies, equipment and services as well as property control.

BRU Goals and Strategies

Lead the development and maintenance of transportation systems that effectively move people and goods throughout each region.
- Develop consensus within the regional communities regarding transportation needs.
- Prioritize funding requests to optimize the use of public resources.

Continue reliable service with reduced general fund resources.
- Make use of technological changes to generate more efficient operations.
- Continually review operational organization and workflow for enhanced performance.
- Use competition between commodity suppliers to generate cost savings.

Provide effective administration, accurate budgeting, and efficient procurement.
- Provide point of contact for the general public, local government, other agencies, the Commissioner's Office and the Legislature concerning regional operations and policy.
- Support the functions of Maintenance and Operations, Design, Construction, Planning, Technology Transfer, and Research by accurate accounting, analysis and reporting of budget, expenditures and revenue.
- Procure and deliver requested supplies, equipment, and services promptly and in accordance with purchasing laws and regulations by implementing automated BuySpeed purchasing system.

Key BRU Issues for FY2003 – 2004

- During this period of increasing federal programs and no comparable growth in support functions, increased technology is being aggressively pursued to enhance efficiency. Systems that rely on information can indeed benefit from technological solutions. For example, the AKSAS BuySpeed interface being developed will allow the electronic transfer of financial data from procurement, contracts, and warehouse inventory transactions directly into AKSAS. There is an interface being developed that will allow electronic requisitions to be generated from the service maintenance database called AMOS, to Southeast Region Procurement. A script was written to electronically consolidate two separate warehouse inventories into one, while preserving all historical financial data. The electronic consolidation is a key component to the physical warehouse consolidation.
- Streamlining the department's procurement process is essential so that goods and services continue to be provided efficiently and according to all state, federal and local guidelines despite reduced funding. Through the use of the department's automated procurement system, BuySpeed, we are able to improve information gathering and dissemination processes to enhance our efficiency.
- Ferry reservations will be made easier and more convenient during the coming year with the implementation of our Internet reservations project. Once implemented, it will be possible for the public to make and pay for ferry reservations over the Internet.

- The implementation of the SE Alaska Transportation Plan continues to be of paramount importance over the next several years as significant resources will be used to design and construct the infrastructure for improved movement of people and commodities throughout the region. Decisive management and articulate leadership are essential to successfully implement this plan.

Major BRU Accomplishments in 2002

- Installed, activated and conducted in-house training for the Department's new BuySpeed Purchasing Program. Continued efforts to resolve database connectivity issues and training for this program. The BuySpeed Purchasing Program is designed to streamline the procurement process by establishing and automating a procurement database, expanding reporting capabilities and enhancing management oversight.
- Implemented the Quality Financial Management Initiative Plan – Phase II to come into compliance with the guidelines set out on OMB Circular A-87.
- Provided on-going state accounting system (GENEVA and AKSAS) and Reimbursable Services Agreements (RSA) training courses.
- Continued implementation of the SE Alaska Transportation Plan. The plan encompasses construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, construction for the first fast vehicle ferry in Alaska began on July 1, 2002 and significant progress is being made toward awarding a contract to construct the Metlakatla shuttle ferry. The Ketchikan transfer facility has been completed and the Sitka terminal is in the design phase. Newsletters and a web-site to assure public involvement in the continued implementation of the Plan were created.
- Recent equipment upgrades to the wireless bridge in SE and SW Alaska have improved reliability tremendously. The wireless bridge supports all types of computer communication such as e-mail, and financial information between administrative offices in Juneau and the AMHS vessels.
- Advancements have been made with the AMOS Maintenance Management System, which provides the automated scheduling of maintenance and repairs for AMHS vessels. The system is currently deployed on six vessels. Two more vessels will be added prior to the summer sailing season.

Key Performance Measures for FY2004

Measure:
How long it takes the division to process a purchase request before the order is placed.
Sec 142(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:
The Department converted to an automated purchasing program in January 2001. Documented activity of small procurements under $50,000 is as follows:

(Prior to FY01 no data is available.)

Region	Last half of FY01	FY02
Central Region	7.66 days	7.88 days
Northern Region	2.91 days	4.45 days
Southeast Region	Info not available	6.08 days

With reductions in the Support Services offices, delays in processing purchase requests are expected to increase during FY2004.

Benchmark Comparisons:
There currently is no known benchmark established for government or private industry.

Background and Strategies:
The amount of time it takes to process a purchase order varies widely due to their complexity and required methods of procurement based on the dollar value of the items. The following are statutory factors that impact performance measures in the purchase of commodities and services for the State of Alaska:

- "Reasonable and adequate" competition is required at $5,000 or less. This involves contacting only one potential vendor in appropriate circumstances.
- At least 3 verbal quotations are required between $5,000 and $25,000; but often required in writing for purposes of clarity and conformance to specifications.
- The written Request for Quotation (RFQ) process is required between $25,000 and $50,000 which requires issuance of the State's standard terms and conditions, written bid responses from vendors.
- The formal Invitation to Bid (ITB) process is required at $50,000 and above which includes formulating specifications, advertising the State's requirements in at least 3 publications, allowing 21 days for bid circulation and a ten-day protest period prior to award of a contract.

Generally, the time required for a procurement increases with the monetary value and/or complexity of the particular item being purchased. For this reason, it is difficult to accurately measure and set performance standards with regard to procurement. Additionally the geographic remoteness throughout Alaska affects communication, approval processes, and delivery issues because of inclement weather conditions, vessels that are underway, and changing crews.

The implementation of BuySpeed procurement software allows for more efficient processing of stock requests and tracking subsequent purchases. The Procurement section expects to implement web requisitioning during the next six months. This module of BuySpeed will allow end users with access to the Internet, to place requests via the department's web site. The implementation of this system will reduce the amount of time it takes for a faxed or mailed copy of a requisition to be received. Additionally, duplicate data entry will be eliminated which will further reduce the average number of days to issue a purchase order. Further efficiencies in processing stock requests will be obtained with monitoring of problem orders and addressing individual issues. BuySpeed continues to have a very slow processing time. Statewide Procurement is experimenting with a new operational program called Citrix. In testing, this program has considerably increased the transaction speed. The department is dedicated to finding a more efficient means of performing these functions.

Regional Support Services

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
Formula Expenditures												
None.												
Non-Formula Expenditures												
Central Support Svcs	700.6	0.0	120.7	821.3	676.5	0.0	124.6	801.1	611.7	0.0	126.0	737.7
Northern Support Services	778.1	0.0	294.0	1,072.1	751.3	0.0	307.6	1,058.9	677.8	0.0	310.4	988.2
Southeast Support Services	436.0	0.0	1,682.5	2,118.5	420.9	0.0	1,747.3	2,168.2	381.3	0.0	1,763.4	2,144.7
Totals	**1,914.7**	**0.0**	**2,097.2**	**4,011.9**	**1,848.7**	**0.0**	**2,179.5**	**4,028.2**	**1,670.8**	**0.0**	**2,199.8**	**3,870.6**

Regional Support Services

Proposed Changes in Levels of Service for FY2004

FY04 budget decisions pending.

Regional Support Services

Summary of BRU Budget Changes by Component

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2003 Authorized	**1,848.7**	**0.0**	**2,179.5**	**4,028.2**
Adjustments which will continue current level of service:				
-Central Support Svcs	0.9	0.0	1.4	2.3
-Northern Support Services	0.5	0.0	2.8	3.3
-Southeast Support Services	0.4	0.0	16.1	16.5
Proposed budget decreases:				
-Central Support Svcs	-65.7	0.0	0.0	-65.7
-Northern Support Services	-74.0	0.0	0.0	-74.0
-Southeast Support Services	-40.0	0.0	0.0	-40.0
FY2004 Governor	**1,670.8**	**0.0**	**2,199.8**	**3,870.6**