

**State of Alaska**  
**FY2004 Governor's Operating Budget**

**Department of Transportation/Public Facilities**  
**Contracting, Procurement and Appeals**  
**Component Budget Summary**

## **Component: Contracting, Procurement and Appeals**

**Contact: Mark O'Brien, Chief Contracts Officer**

**Tel:** (907) 465-6990 **Fax:** (907) 586-8365 **E-mail:** Mark\_O'Brien@dot.state.ak.us

### **Component Mission**

To effectively carry out the DOT&PF Commissioner's statutory responsibility for procuring the planning, design, and construction of public works (including state buildings), and to execute authority delegated by the Commissioner of the Department of Administration for non-construction procurements.

### **Component Services Provided**

- Delegate DOT&PF statutory authority for construction to state agencies (customer agencies) and department staff.
- Oversee departmental and customer agency compliance with federal and state laws, regulations, and policies governing procurements and contract administration.
- Develop, implement, and maintain policies, procedures, and operational standards that assure all transportation modes, regions, engineering services, highway construction and maintenance groups, and those state agencies with a DOT&PF delegation of construction authority, receive responsive and consistent guidance in the administration of procurements and contracts.
- Administer the statewide Construction Contracting Warrant System.
- Assist in the resolution of contract and procurement claims and disputes before they are elevated to the Commissioner's Office as appeals.
- Administer the construction contracts protest and claim appeal adjudication process.
- Develop and implement policies and procedures involving state tribal relations.

### **Component Goals and Strategies**

Provide sufficient education, guidance, and oversight to assure that proper procurement and contracting procedures are conducted.

- As appropriate, other state agencies are delegated construction contracting responsibility. Under Construction Delegation, the customer agency is provided guidance on: proper procurement practices, contract formation and contract administration; compliance with federal and state laws, regulations, and policies governing procurements and contracts administration; and, the resolution of contract and procurement claims and disputes before they become appeals.
- The DOT&PF Contracting Officers' Warrant System is required in order to execute a Delegation of Authority for Construction. It is an aggressive training and certification effort that applies to all employees in the department who are responsible for procuring and administering professional services and construction related activities, and includes those employees of customer agencies who are acting under the delegated construction authority from DOT&PF. The issued warrant certifies the warrant holder has met the requirements of training and experience for procurement authority at a specific level and specifies the continuing education requirements necessary to maintain certification.
- There are 255 participants in the Construction Contracting Warrant System, 55 of which are from 9 customer agencies. The Warrant System was fully implemented in July 2002.
- The non-construction procurement and contract administration program ensures that procurement officers purchasing commodities are certified under the Department of Administration certification program.
- Responsible state property management is promoted through documenting lost, stolen, or damaged equipment and requesting the disposal of obsolete and excess property items and establishing departmental warehouse inventory levels and procedures by conducting annual reviews of regional warehouse functions.
- Act as liaison with the Department of Administration on evaluating shared interests in current regulatory and statutory authorities. Recommend changes in legislation where necessary to promote procurement efficiencies.
- Review procurement and contracting methods in use by other governmental entities and implement similar practices as appropriate.

### **Key Component Issues for FY2003 – 2004**

- In addition to providing direct and immediate support to the regions and customer agencies on procurement/contract matters, we will continue to further assist staff by developing regulations for Design/Build procurements and continuing activities that ensure departmental compliance with requirements for local pre-bid or post-bid award conferences for public projects in rural Alaska, in accordance with AO 199. These actions will serve to ensure uniform and consistent procurement and contract administration.
- We will continue to actively listen and work with Contractors and construction industry representatives on changes to claims adjudication statutes and regulations with objectives of creating alternatives to contractual dispute resolution. The eventual goal to be achieved by this activity is the reduction in frequency, duration, and cost of resolving contractual disputes.

### **Major Component Accomplishments in 2002**

- Completed implementation of the Contracting Officers' Warrant System and provided the first level of training in a series of levels to 200 participants.
- Issued the new Small Procurement Construction Manual making it more concise and user friendly. The Manual provides policy, procedure and guidance on small procurements of less than are construction related under \$100,000.
- Implemented agreements with the Bureau of Indian Affairs (BIA) for regional village participation on certain remote construction projects.
- From the STIP construction project list, reviewed and made formal determinations on each construction related project on whether the site was a remote location in need of a contract requirement for a remote camp facility to house construction staff. This is a collaborative effort with the DOT&PF Regional Directors, the Associated General Contractors of Alaska, and Alaska's construction Labor Union(s).

### **Statutory and Regulatory Authority**

U.S.C. Title 23  
AS Title 02, Aeronautics  
AS Title 19, Highways and Ferries  
AS Title 35, Public Buildings, Works and Improvements  
AS Title 36, (Procurement Code)  
AS Title 44, (Applicable Portions)  
2 AAC 12, Procurement Regulations  
AAM (Alaska Administrative Manual)  
Delegation from Dept. of Administration to the DOT&PF Commissioner

**Contracting, Procurement and Appeals  
Component Financial Summary**

*All dollars in thousands*

	<b>FY2002 Actuals</b>	<b>FY2003 Authorized</b>	<b>FY2004 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	412.5	430.4	408.1
72000 Travel	19.5	12.0	12.0
73000 Contractual	89.8	35.1	30.3
74000 Supplies	18.0	6.9	10.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>539.8</b>	<b>484.4</b>	<b>460.4</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	278.8	261.4	236.4
1007 Inter-Agency Receipts	33.9	41.9	33.1
1026 Highway Working Capital Fund	34.5	35.5	35.8
1027 International Airport Revenue Fund	35.6	36.7	37.1
1061 Capital Improvement Project Receipts	157.0	108.9	118.0
<b>Funding Totals</b>	<b>539.8</b>	<b>484.4</b>	<b>460.4</b>

**Contracting, Procurement and Appeals**  
**Proposed Changes in Levels of Service for FY2004**

None.

**Summary of Component Budget Changes**  
**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>
<b>FY2003 Authorized</b>	<b>261.4</b>	<b>0.0</b>	<b>223.0</b>	<b>484.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer funds for Stwd M&O Coordinator to Trans Mgmt & Security component	0.0	0.0	-8.9	-8.9
-Annualize FY2003 COLA for General Government and Supervisory Bargaining Units	0.0	0.0	1.6	1.6
<b>Proposed budget decreases:</b>				
-Reduce procurement staff and services supporting maintenance and construction programs	-25.0	0.0	0.0	-25.0
<b>Proposed budget increases:</b>				
-Increase CIP authority to meet OMB vacancy requirement	0.0	0.0	8.3	8.3
<b>FY2004 Governor</b>	<b>236.4</b>	<b>0.0</b>	<b>224.0</b>	<b>460.4</b>

**Contracting, Procurement and Appeals**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	5	5	Annual Salaries	307,225
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	105,695
			<i>Less 1.17% Vacancy Factor</i>	(4,820)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>5</b>	<b>Total Personal Services</b>	<b>408,100</b>

**Position Classification Summary**

<u>Job Class Title</u>	<u>Anchorage</u>	<u>Fairbanks</u>	<u>Juneau</u>	<u>Others</u>	<u>Total</u>
Chief Contracts Officer	0	0	1	0	1
Procurement Spec III	0	0	2	0	2
Procurement Spec IV	0	0	1	0	1
Procurement Spec V	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>