

State of Alaska FY2012 Governor's Operating Budget

Department of Transportation/Public Facilities Design and Construction Results Delivery Unit Budget Summary

Design and Construction Results Delivery Unit

Contribution to Department's Mission

Improve the transportation system in Alaska and protect the health and safety of the people of Alaska by developing transportation and public facilities projects and constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Design has primary responsibility for a project from its initial funding through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. Design staff prepares geotechnical reports for the project site and materials sources, obtain necessary land interests and environmental clearances and permits, and prepare plans and obtain agreements with utility companies for required relocations.
- Design provides technical support functions to the department, other state and federal agencies, and local governments and the public. Examples include design assistance, traffic speed studies, bridge inspections, materials testing, processing of utility, right-of-way and traffic permits, preparation of environmental documents, a research program, and the Local Technical Assistance Program. The Design and Construction Standards section develops standards that are in use throughout the state.
- The Construction Sections administer construction contracts, provide field inspection and construction oversight, provide quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and report Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- The Contracts staff review construction documents, provide bid packages, advertise and award contracts, prepare certified bid tabulations, and help resolve bidding disputes. This unit also coordinates, solicits, selects, prepares and administers professional services agreements.
- The Project Control Sections coordinate and program project funding; administer state and federal grants; provide engineering management support; prepare and manage data within a management reporting system for capital projects; provide regional network administration and desktop computer support; and process time and equipment charges to projects.
- The Statewide Public Facilities Office oversees all building planning, design and construction related activities and acts as the advocate for department-wide facility needs. This section provides cost estimates and management services necessary to renovate, repair or build new state-owned public facilities.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Design roads to appropriate standards • Minimize in-house costs for preconstruction services • Manage consultant contracts in a cost effective manner • Timely close-out of construction projects • Compare and contrast cost of in-house construction engineering (CE) with consultant CE | <ul style="list-style-type: none"> • Cross training between Design and Construction • Involve Construction and Maintenance in design process from project scoping • Explore innovative contracting methods • Greater use of technology in the field |
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Key RDU Challenges

- The Federal Highway Administration (FHWA) Alaska Division and the department executed a new Stewardship and Oversight Agreement. The new agreement requires additional reporting and additional FHWA review and approvals for certain project development and construction tasks. The department will need to commit resources to track performance measures and generate the reports required by the new agreement. Limited FHWA resources to accomplish their new review and approval functions may impact project delivery schedules, construction progress, and construction costs.
- The department has entered into a three-year Consent Decree with the Environmental Protection Agency for storm water compliance. Training, design requirements, and construction process requirements have generated

significant changes to our project delivery. Ongoing staff resources and commitment are necessary to sustain compliance with the terms of the Consent Decree.

- The American Recovery and Reinvestment Act (ARRA) program requires that the department does not supplant the existing federal and state funded programs. While continuing to deliver our standard program, department staff must accelerate the project delivery for ARRA projects in order to meet the program's compressed schedule for required obligation of construction funds. ARRA reporting for transparency and accountability requires significant commitment of staff resources.
- The department has assumed responsibility for approval of Categorical Exclusion (cat-ex) environmental documents, with restrictions, under a three-year agreement with the Federal Highways Administration (FHWA). The department elected to pursue the 6004 Memorandum of Understanding (MOU) in order to streamline the delivery of those projects subject to the cat-ex process in the MOU. There will be a continued learning curve for all engineering and environmental staff as the 6004 agreement is implemented.
- FHWA is also identifying high profile projects for which they will have more oversight. The selection and revised procedural requirements for high profile projects are part of the new 2009 Stewardship and Oversight (S&O) Agreement. The terms of the agreement were developed in collaboration with the department and the Alaska Division of FHWA; however the decision to revise the previous S&O agreement (1999) was compulsory.
- Federal funding uncertainties result in the STIP being a moving target and prioritizing work can be a challenge with no clear funding plan.
- A key challenge continues to be to retain experienced engineers, right-of-way agents, and environmental analysts. Many are reaching retirement age. It is difficult to find and retain qualified staff willing to take long-term assignments to remote sites, often requiring exhaustive overtime and on-site presence for up to six months during the summer with little time off.

Significant Changes in Results to be Delivered in FY2012

No significant changes are anticipated.

Major RDU Accomplishments in 2010

- Received \$50.3 million of ARRA highway funds in FFY10.
- Awarded \$426 million construction contracts in FFY10.
- Completed \$548 million of construction improvements in FFY10.
- Paved 56.4 lane miles (28.2 centerline miles) of gravel roads.
- Repaved 282.3 lane miles (141.2 centerline miles) of roads.
- Reconstructed 31.7 lane miles (15.9 centerline miles) of roads.
- Completed 13 research projects and facilitated implementation of recommendations.
- Provided training to 1,817 participants from the Department of Transportation and Public Facilities, local governments, consultants and other transportation agencies.
- Won 2010 FWHA Excellence in Right-of-Way Award for Innovation in development of Google Earth Right-of-Way Visual Mapping prototype.

Contact Information

Contact: Frank Richards, Deputy Commissioner
Phone: (907) 465-3900
Fax: (907) 586-8365
E-mail: Frank.Richards@alaska.gov

**Design and Construction
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Statewide Public Facilities	125.5	3,951.2	0.0	4,076.7	546.5	3,802.8	0.0	4,349.3	464.0	3,955.0	0.0	4,419.0
SW Design & Engineering Svcs	1,725.5	7,860.7	0.0	9,586.2	1,111.8	8,846.4	0.0	9,958.2	1,252.8	8,942.2	0.0	10,195.0
Harbor Program Development	0.0	0.0	0.0	0.0	365.6	213.0	0.0	578.6	378.3	219.3	0.0	597.6
Central Design & Eng Svcs	937.3	19,280.6	0.0	20,217.9	1,258.2	19,612.3	0.0	20,870.5	1,605.8	20,136.9	0.0	21,742.7
Northern Design & Eng Svcs	527.1	13,201.6	0.0	13,728.7	655.5	16,210.0	0.0	16,865.5	851.1	16,395.3	0.0	17,246.4
Southeast Design & Eng Svcs	551.7	7,668.6	0.0	8,220.3	845.6	9,382.8	0.0	10,228.4	1,068.6	9,602.4	0.0	10,671.0
Central Construction & CIP	540.3	18,972.8	0.0	19,513.1	477.3	18,963.8	0.0	19,441.1	745.1	19,418.1	0.0	20,163.2
Northern Construction & CIP	610.2	16,387.5	0.0	16,997.7	576.2	15,697.2	0.0	16,273.4	799.1	15,943.1	0.0	16,742.2
Southeast Region Construction	99.5	7,130.7	0.0	7,230.2	170.7	7,923.6	0.0	8,094.3	303.9	7,739.9	0.0	8,043.8
Totals	5,117.1	94,453.7	0.0	99,570.8	6,007.4	100,651.9	0.0	106,659.3	7,468.7	102,352.2	0.0	109,820.9

Design and Construction
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	4,794.8	1,212.6	100,651.9	0.0	106,659.3
Adjustments which will continue current level of service:					
-Statewide Public Facilities	-82.5	0.0	152.2	0.0	69.7
-SW Design & Engineering Svcs	141.0	0.0	95.8	0.0	236.8
-Harbor Program Development	12.7	0.0	6.3	0.0	19.0
-Central Design & Eng Svcs	340.9	6.7	524.6	0.0	872.2
-Northern Design & Eng Svcs	196.5	-0.9	185.3	0.0	380.9
-Southeast Design & Eng Svcs	223.0	0.0	219.6	0.0	442.6
-Central Construction & CIP	267.8	0.0	454.3	0.0	722.1
-Northern Construction & CIP	222.9	0.0	245.9	0.0	468.8
-Southeast Region Construction	133.2	0.0	-183.7	0.0	-50.5
FY2012 Governor	6,250.3	1,218.4	102,352.2	0.0	109,820.9