

State of Alaska FY2014 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/environmental 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.
- The Asset Management Office champions the establishment and maintenance of the department's formal Transportation Asset Management Program.
- The Quality Improvement Office leads the department's quality improvement initiatives and ensures compliance with federal funding initiatives.

Major RDU Accomplishments in 2012

- Paved 11 lane miles of gravel roads.
- Repaved 130.5 lane miles of roads.
- Reconstructed 43.7 lane miles of roads.
- Constructed 18.2 roadway and bike path lane miles, and 27.4 airport lane miles.

Key RDU Challenges

- The Federal Highway Administration (FHWA) Alaska Division and the department operate under a Stewardship and Oversight Agreement. The agreement focuses on a data driven, risk based oversight role for certain programs and project development and construction tasks. The department is responding to several new FHWA initiatives: this takes new department resources. Limited FHWA resources to accomplish their new review and approval functions may impact project delivery schedules, construction progress, and construction costs.
- On September 21, 2010, the department entered into a three-year Consent Decree for storm water

compliance with the Environmental Protection Agency (EPA). Completed second year of department's three year agreement with Federal Highway Administration (FHWA) to lead, control, and manage the '6004' program, allowing the state to manage the environmental process on over 90% of the department's projects.

- The department assumed responsibility for Categorical Exclusion environmental documents, with restrictions, under an agreement with the FHWA in 2009 in order to streamline the delivery of projects subject to the cat-ex process. FHWA continues to identify high profile projects for which they will have more oversight.
- New environmental regulations and agency interpretations continue to add complexity, cost, time, and risk to the delivery of our projects. The Army Corps of Engineers wetland mitigation rule that took effect in 2009 and the Federal Highway Administration's (FHWA's) restrictive and rigid interpretation of Section 106 Historic Properties cause the worst delays. Army Corp Permits require a separate National Environmental Policy Act (NEPA) action, a determination of least environmental impact, and Clean Water Act compliance. This requires coordination with Alaska Department of Environmental Conservation (ADEC), Environmental Protection Agency (EPA), Army Corps of Engineers, National Marine Fisheries Service, Alaska Department of Fish and Game (ADF&G), and US Fish & Wildlife. These are all agencies with staff shortages which delays their response time.
- Federal funding uncertainties result in the Statewide Transportation Improvement Program (STIP) being a moving target and prioritizing work can be a challenge.
- 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.
- Transitioning department to an asset/performance management agency.

Significant Changes in Results to be Delivered in FY2014

Work flow and process changes implemented as a result of Quality Control/Assurance Section established in FY2013.

Contact Information
<p>Contact: Pat Kemp, P.E., Deputy Commissioner Phone: (907) 465-3900 Fax: (907) 586-8365 E-mail: Pat.Kemp@alaska.gov</p>

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

All dollars shown in thousands

	FY2012 Actuals				FY2013 Management Plan				FY2014 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	412.0	5,301.3	0.0	5,713.3	420.9	4,104.8	0.0	4,525.7	420.9	4,104.8	0.0	4,525.7
SW Design & Engineering Svcs	1,204.0	8,973.1	0.0	10,177.1	1,381.6	10,629.4	0.0	12,011.0	1,362.6	10,625.4	0.0	11,988.0
Harbor Program Development	300.3	285.6	0.0	585.9	391.1	224.4	0.0	615.5	391.1	238.4	0.0	629.5
Central Design & Eng Svcs	1,263.9	19,745.9	0.0	21,009.8	1,317.0	20,939.1	0.0	22,256.1	1,317.0	21,163.2	0.0	22,480.2
Northern Design & Eng Svcs	446.1	15,396.6	0.0	15,842.7	677.4	16,286.5	0.0	16,963.9	657.4	16,306.1	0.0	16,963.5
Southeast Design & Eng Svcs	763.3	8,918.6	0.0	9,681.9	886.8	10,088.9	0.0	10,975.7	847.2	9,885.7	0.0	10,732.9
Central Construction & CIP	454.7	20,957.6	0.0	21,412.3	503.5	20,235.3	0.0	20,738.8	659.2	20,883.4	0.0	21,542.6
Northern Construction & CIP	712.3	18,504.8	0.0	19,217.1	597.8	16,853.7	0.0	17,451.5	598.1	16,913.2	0.0	17,511.3
Southeast Region Construction	89.8	6,881.9	0.0	6,971.7	167.4	7,757.0	0.0	7,924.4	92.4	7,791.8	0.0	7,884.2
Totals	5,646.4	104,965.4	0.0	110,611.8	6,343.5	107,119.1	0.0	113,462.6	6,345.9	107,912.0	0.0	114,257.9

Design and Construction
Summary of RDU Budget Changes by Component
From FY2013 Management Plan to FY2014 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>
FY2013 Management Plan	5,084.3	1,259.2	107,119.1	0.0	113,462.6
Adjustments which will continue current level of service:					
-SW Design & Engineering Svcs	-19.0	0.0	-4.0	0.0	-23.0
-Harbor Program Development	0.0	0.0	14.0	0.0	14.0
-Central Design & Eng Svcs	0.0	0.0	224.1	0.0	224.1
-Northern Design & Eng Svcs	0.0	-20.0	19.6	0.0	-0.4
-Southeast Design & Eng Svcs	0.4	-40.0	-203.2	0.0	-242.8
-Central Construction & CIP	0.7	0.0	48.1	0.0	48.8
-Northern Construction & CIP	0.3	0.0	59.5	0.0	59.8
-Southeast Region Construction	-75.0	0.0	34.8	0.0	-40.2
Proposed budget increases:					
-Central Construction & CIP	155.0	0.0	600.0	0.0	755.0
FY2014 Governor	5,146.7	1,199.2	107,912.0	0.0	114,257.9