

State of Alaska FY2018 Governor's Operating Budget

Department of Administration Shared Services of Alaska Results Delivery Unit Budget Summary

Shared Services of Alaska Results Delivery Unit

Contribution to Department's Mission

To provide back office support of common administrative transactions to allow state departments to use budget and staff to focus on their core mission and responsibilities.

Core Services

- Establish cost effective multi-agency term contracts for high use supplies and services needed by all agencies.
- Coordinate statewide reutilization efforts to locate and transfer available excess property items to state agencies.
- Daily mail posting, interagency receipt, sorting, distribution and post office delivery.
- Manage space and administer over 550 leases with the private sector and leases in State owned facilities.
- Provide space standard recommendations and contract guidance for all State owned office facilities.
- Provide for the day to day long term management and operations of 12 Public Building Fund (PBF) facilities and 6 non PBF buildings.

Major RDU Accomplishments in 2016

- Managed over 250 statewide contracts used by the state and its political subdivisions representing a diverse mix of supplies and services; such as automobile tires, hazardous incident response equipment, radios, satellite phones, microcomputers, rental cars, dairy products, fuel, drug testing, and automated external defibrillators. The total annual dollar value of orders placed on General Service's statewide contracts is approximately \$150 million.
- Improved marketing capabilities for the State and federal surplus property programs by using electronic media tools, improved property data-management tracking systems, and increased communication efforts with State agencies, non-profit organizations, eligible program participants (federal surplus property), and the general public.
- Renegotiated multiple expiring leases below market rates.
- Identified, implemented and managed methods to reduce energy consumption and utility expenses.
- Administered and managed contracts for the renovation of the Douglas Island Building and Nome State Office Building full remodel projects. Both projects were completed on time and within budget.

Key RDU Challenges

Efficiency - Improve the State's ability to reduce postage costs and processing resources by continuing to work with state agencies to barcode their outgoing mail and to use electronic services for all accountable mail.

Space Efficiency – Continue to work with all agencies to identify Public Building Fund facilities, Non-Public Building Fund facilities, and private leases where space can be used more efficiently. Continue to work cooperatively with agencies located in private leases to identify and move to Public Building Fund facilities with vacant space to reduce lease costs.

Increase Services with Current Staff Levels - The division continues to work towards: automating systems and procurement methods using the IRIS system to foster improved efficiency for state agencies; improve access for Alaska vendors to state business; enhanced reporting on state purchasing activities; improve the statewide procurement officer certification and training program; maintain and enhance the web-based system to track state procurement officer certifications, training records, and delegations of purchasing authority; increase employee access to procurement laws, regulations, and policies via mobile device applications; increase the number of statewide term contracts available for all state agencies and political subdivisions; and, improve outreach to state political subdivisions to ensure rural communities and other State of Alaska subdivisions have access to cost effective and efficient contracts.

Marketing – Improving marketing strategies for state and federal surplus property to increase reutilization of excess property with state agencies and eligible program participants, and increase sales from state surplus.

Shared Services - A key challenge for Shared Services is standing up a brand new effort that did not previously

exist. Positions are being transferred from all other departments requiring logistical set up of work spaces, computers, and other equipment. Service level agreements, key performance indicators, and rates for services are being established with each department for the services to be performed by the SSOA. Processes are being redesigned to take full advantage of the new Integrated Resource Information System (IRIS) that has been deployed by the state. Major initiatives planned and underway by the SSOA include Travel and Expense, Accounts Payable, and Procurement, Facilities Management, and Collection of Delinquent Accounts Receivable.

Significant Changes in Results to be Delivered in FY2018

Electronic Auctions - Use only electronic auctions to sell items to the general public.

Facility Management - General Services completed on time and within budget several major building renovations and performed the required day-to-day maintenance and operations of all buildings in the DOA/DGS portfolio. General Services will continue to identify potential tenants to fill the spaces vacated to maximize space efficiencies and improve co-location of agencies within the facilities.

Contract Management - The division will identify and orchestrate cost effective changes with the State's professional service contracts in the management of the Public Building Fund and Non-Public Building Fund facilities, specifically the Robert B. Atwood Building, Lenny Pacillo Parking Garage, Palmer State Office Building, and the Geological Materials Center Building.

Private Leased Space - Multiple strategies to achieve overall lease cost savings will continue in FY2018. In addition to reducing the number of leased facilities, space efficiency principles and standards will be used to help ensure all space is being utilized in an effective manner. Expanded boundaries and revised lease solicitation documents will also be used to increase the lessor's requirements and ensure maximized space efficiency is achieved through improved space management.

Service Offerings - Services previously performed by each department's Administrative Services Division are being transferred to the Shared Services Office for the first time. This is expected to result in fewer overall positions and less cost for processing the work. Results will be reported for the next budget cycle.

Contact Information
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**Shared Services of Alaska
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2016 Actuals				FY2017 Management Plan				FY2018 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												
Business Transformation Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	714.5	0.0	714.5
Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	751.4	6,214.1	0.0	6,965.5
Purchasing	960.5	439.9	0.0	1,400.4	655.9	590.7	0.0	1,246.6	1,250.8	446.2	326.6	2,023.6
Property Management	380.6	0.0	197.4	578.0	312.5	0.0	325.5	638.0	0.0	0.0	0.0	0.0
Print Services	0.0	2,409.4	0.0	2,409.4	0.0	2,733.5	0.0	2,733.5	0.0	2,588.8	0.0	2,588.8
Leases	0.0	48,774.9	0.0	48,774.9	0.0	48,738.2	0.0	48,738.2	0.0	45,844.2	0.0	45,844.2
Lease Administration	0.0	1,452.8	0.0	1,452.8	0.0	1,606.7	0.0	1,606.7	0.0	1,298.3	0.0	1,298.3
Facilities	292.2	11,114.1	0.0	11,406.3	230.1	17,108.3	0.0	17,338.4	280.1	15,971.6	0.0	16,251.7
Facilities Administration	0.0	1,857.9	0.0	1,857.9	0.0	1,931.6	0.0	1,931.6	0.0	1,470.8	0.0	1,470.8
NPBF Facilities	437.3	116.3	0.0	553.6	480.6	280.9	0.0	761.5	543.4	280.9	0.0	824.3
Totals	2,070.6	66,165.3	197.4	68,433.3	1,679.1	72,989.9	325.5	74,994.5	2,825.7	74,829.4	326.6	77,981.7

Shared Services of Alaska
Summary of RDU Budget Changes by Component
From FY2017 Management Plan to FY2018 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>
FY2017 Management Plan	487.9	1,191.2	72,989.9	325.5	74,994.5
Adjustments which continue current level of service:					
-Business Transformation Office	0.0	0.0	2.5	0.0	2.5
-Accounting	0.0	751.4	954.5	0.0	1,705.9
-Purchasing	0.0	313.4	-144.5	326.6	495.5
-Property Management	0.0	-305.2	0.0	-325.5	-630.7
-Print Services	0.0	0.0	-144.7	0.0	-144.7
-Lease Administration	0.0	0.0	-308.4	0.0	-308.4
-Facilities	0.0	0.0	487.1	0.0	487.1
-Facilities Administration	0.0	0.0	-460.8	0.0	-460.8
-NPBF Facilities	0.8	0.0	0.0	0.0	0.8
Proposed budget increases:					
-Business Transformation Office	0.0	0.0	712.0	0.0	712.0
-Accounting	0.0	0.0	5,259.6	0.0	5,259.6
-Purchasing	0.0	281.5	0.0	0.0	281.5
-Facilities	0.0	50.0	0.0	0.0	50.0
-NPBF Facilities	0.0	62.0	0.0	0.0	62.0
Proposed budget decreases:					
-Property Management	-7.3	0.0	0.0	0.0	-7.3
-Leases	0.0	0.0	-2,894.0	0.0	-2,894.0
-Facilities	0.0	0.0	-1,623.8	0.0	-1,623.8
FY2018 Governor	481.4	2,344.3	74,829.4	326.6	77,981.7