

State of Alaska FY2018 Governor's Operating Budget

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

Design, Engineering 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

- Prepare initial funding through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and engineer's estimates for the cost of construction, as well as preparing geotechnical reports for the project site and materials sources, obtaining necessary land interests and environmental clearances and permits, and preparing plans and obtaining agreements with utility companies for required relocations.
- Provide technical support functions to the department, other state and federal agencies, and local governments and the public for traffic speed studies, bridge inspections, materials testing, processing of utility, right-of-way and traffic permits, and preparation of environmental documents.
- Develop design and construction standards.
- 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.
- Review construction documents, provide bid packages, advertise and award contracts, prepare certified bid tabulations, and help resolve bidding disputes.
- Coordinate, solicit, select, prepare and administer professional services agreements.
- 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.
- Oversee all building planning, design and construction related activities and act as the advocate for department-wide facility needs.
- Establish and maintain the department's Transportation Asset Management program.
- Lead the department's quality improvement initiatives and ensure compliance with federal funding initiatives.

Major RDU Accomplishments in 2016

- Effectively managed federal transportation funding for all phases of over 450 aviation, surface, ferry vessel, and vertical projects, totaling in excess of \$800 million. Effectively balanced disparate needs across Alaska and between urban and rural priorities.
- Significantly improved safety to construct critically needed railroad overpasses on the Parks Highway by leveraging federal Highway Safety Improvement Program.
- Responded to an emergency repair need on the Matanuska River with agility preventing a flood disaster.
- Achieved significant Dalton Highway improvements designed to prevent future catastrophic flooding as happened in 2015.
- Advanced the department's Tribal Relations Liaison capability connected to the Governor's newly formed Transportation Advisory Committee by leveraging skills currently in the department.
- Significantly advanced a multi-department Facilities Maintenance Shared Services project to determine if there are costs savings to be achieved by consolidation of work or processes. All recommendations from this project and its now formal facilities governance structure have been approved for implementation.
- Successfully delivered the \$138.9 million State Library Archive Museum project.
- Advanced performance-based management of all component activities within the Results Based Alignment (RBA) framework that actively measure efficiency and effectiveness of core service delivery within four key result areas: accuracy, timeliness, accordance with planning, and cost.

Key RDU Challenges

- Increasing and more burdensome federal regulatory oversight in both reporting and compliance. New environmental regulations and agency interpretations continue to add complexity, cost, time, and risk to the delivery of our projects
- Access to material sites due permitting challenges associated with both state and federal permitting authorities.
- Lack of sufficient staff in federal agencies to issue permits and conduct the reviews needed for construction projects.
- Continuing the full transition to the state's new accounting and procurement system, Integrated Resource Information System (IRIS).
- Fully transitioning the department to an asset/performance management culture.

Significant Changes in Results to be Delivered in FY2018

- Results based budgeting will be used to fine tune performance measures that quantify outcomes (not activities), drive decision making, and determine program and services priorities.
- Participate in department-wide organizational review and implement organizational changes.

Contact Information
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**Design, Engineering and Construction
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												
Statewide Public Facilities	78.1	4,781.1	0.0	4,859.2	99.9	4,470.0	0.0	4,569.9	101.1	4,286.7	0.0	4,387.8
SW Design & Engineering Svcs	51.0	10,151.5	0.0	10,202.5	98.2	12,793.0	0.0	12,891.2	98.2	12,217.7	0.0	12,315.9
Harbor Program Development	241.0	406.5	0.0	647.5	383.3	280.2	0.0	663.5	298.9	0.0	0.0	298.9
Central Design & Eng Svcs	547.0	22,555.8	0.0	23,102.8	652.1	21,750.4	0.0	22,402.5	654.1	20,612.7	0.0	21,266.8
Northern Design & Eng Svcs	251.6	16,131.0	0.0	16,382.6	251.2	16,389.1	0.0	16,640.3	252.6	15,570.1	0.0	15,822.7
Southcoast Design & Eng Svcs	158.4	10,653.4	0.0	10,811.8	313.4	10,759.2	0.0	11,072.6	315.2	10,665.8	0.0	10,981.0
Central Construction & CIP	8.1	22,750.2	0.0	22,758.3	97.5	20,239.6	0.0	20,337.1	97.7	20,102.6	0.0	20,200.3
Northern Construction & CIP	162.0	20,868.9	0.0	21,030.9	162.0	16,447.1	0.0	16,609.1	163.1	16,310.3	0.0	16,473.4
Southcoast Region Construction	39.8	6,981.5	0.0	7,021.3	55.0	7,869.1	0.0	7,924.1	55.2	7,262.4	0.0	7,317.6
Knik Arm Crossing	0.0	1,175.0	0.0	1,175.0	0.0	1,551.0	0.0	1,551.0	0.0	0.0	0.0	0.0
Totals	1,537.0	116,454.9	0.0	117,991.9	2,112.6	112,548.7	0.0	114,661.3	2,036.1	107,028.3	0.0	109,064.4

Design, Engineering and Construction
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	1,245.2	867.4	112,548.7	0.0	114,661.3
Adjustments which continue current level of service:					
-Statewide Public Facilities	1.2	0.0	23.5	0.0	24.7
-SW Design & Engineering Svcs	0.0	0.0	61.1	0.0	61.1
-Harbor Program Development	-63.2	0.0	0.8	0.0	-62.4
-Central Design & Eng Svcs	0.0	2.0	-9.4	0.0	-7.4
-Northern Design & Eng Svcs	0.5	0.9	91.9	0.0	93.3
-Southcoast Design & Eng Svcs	0.6	1.2	69.0	0.0	70.8
-Central Construction & CIP	0.2	0.0	96.9	0.0	97.1
-Northern Construction & CIP	1.1	0.0	84.8	0.0	85.9
-Southcoast Region Construction	0.2	0.0	39.0	0.0	39.2
-Knik Arm Crossing	0.0	0.0	-814.6	0.0	-814.6
Proposed budget decreases:					
-Statewide Public Facilities	0.0	0.0	-206.8	0.0	-206.8
-SW Design & Engineering Svcs	0.0	0.0	-636.4	0.0	-636.4
-Harbor Program Development	-21.2	0.0	-281.0	0.0	-302.2
-Central Design & Eng Svcs	0.0	0.0	-1,128.3	0.0	-1,128.3
-Northern Design & Eng Svcs	0.0	0.0	-910.9	0.0	-910.9
-Southcoast Design & Eng Svcs	0.0	0.0	-162.4	0.0	-162.4
-Central Construction & CIP	0.0	0.0	-233.9	0.0	-233.9
-Northern Construction & CIP	0.0	0.0	-221.6	0.0	-221.6
-Southcoast Region Construction	0.0	0.0	-645.7	0.0	-645.7
-Knik Arm Crossing	0.0	0.0	-736.4	0.0	-736.4
FY2018 Governor	1,164.6	871.5	107,028.3	0.0	109,064.4