

# **State of Alaska FY2020 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.
- Procure, manage and administer over 500 leases in the private sector and in State owned facilities.
- Provide space planning standard recommendations and contract guidance for all State owned office facilities.
- Provide for the day-to-day long-term management of 11 Public Building Fund (PBF) facilities and six Non-PBF buildings.
- Oversee rates, budget and capital improvements for all PBF and Non-PBF facilities.
- Provide accounting services to state departments for travel and accounts payable.
- Manage a collection effort on delinquent accounts on behalf of state departments.

### Major RDU Accomplishments in 2018

- Managed over 260 statewide contracts used by the State and its political subdivisions representing a diverse mix of supplies and services; such as office supplies, computers and software, fuels, body armor, and public safety radios. The total annual dollar value of orders placed on Shared Services of Alaska's statewide contracts is approximately \$288 million.
- Continued using process improvement techniques to find efficiencies in key processes. Beginning in FY2017, the focus was on reducing the time to process Request for Alternate Procurements (RAPS). Working with stakeholder agencies, the time to process was reduced from 3.24 days at the beginning of FY2017 to just .32 days by the end of FY2018, a reduction of 2.9 days or 90%. With 149 RAPS processed in FY2018, this reduction in processing time saved nearly 500 days' worth of waiting by customer agencies or over \$200,000 in personal services cost savings.
- 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.
- Reinitiated the Request for Proposal (RFP) process to procure new leased space, including the initiation of a new Innovative process to increase market awareness and competition.
- Identified, implemented and managed methods to reduce energy consumption and utility expenses.
- Continued processing travel for all or part of 12 out of 15 state departments, with more travel volume to be transferred in 2019.
- Began processing accounts payable transactions for five state departments, with more accounts payable volume to be transferred in 2019.

### 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 PBF facilities, Non-PBF 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 PBF 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** - Positions are being transferred from all other departments requiring 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. Processes are being redesigned to take full advantage of the new Integrated Resource Information System (IRIS). Major initiatives planned and underway by the SSOA include Travel and Expense, Accounts Payable, Facilities Management, and Collection of Delinquent Accounts Receivable.

### Significant Changes in Results to be Delivered in FY2020

**Private Leased Space** - Multiple strategies to achieve overall lease cost savings will continue in FY2019. In addition to reducing the number of leased facilities, space use 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** – Implementation of the Shared Services of Alaska initiatives will be finalized. 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*

|                                      | FY2018 Actuals   |                 |                  |                 | FY2019 Management Plan |                 |                  |                 | FY2020 Governor  |                 |                  |                 |
|--------------------------------------|------------------|-----------------|------------------|-----------------|------------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
|                                      | UGF+DGF<br>Funds | Other<br>Funds  | Federal<br>Funds | Total<br>Funds  | UGF+DGF<br>Funds       | Other<br>Funds  | Federal<br>Funds | Total<br>Funds  | UGF+DGF<br>Funds | Other<br>Funds  | Federal<br>Funds | Total<br>Funds  |
| <b>Formula Expenditures</b><br>None. |                  |                 |                  |                 |                        |                 |                  |                 |                  |                 |                  |                 |
| <b>Non-Formula Expenditures</b>      |                  |                 |                  |                 |                        |                 |                  |                 |                  |                 |                  |                 |
| Accounting                           | 599.9            | 2,541.6         | 0.0              | 3,141.5         | 451.4                  | 6,416.3         | 0.0              | 6,867.7         | 1,454.0          | 6,606.4         | 0.0              | 8,060.4         |
| Business Transformation Office       | 589.4            | 0.0             | 0.0              | 589.4           | 1,500.0                | 414.5           | 0.0              | 1,914.5         | 1,500.0          | 414.5           | 0.0              | 1,914.5         |
| Purchasing                           | 1,173.4          | 471.5           | 160.0            | 1,804.9         | 1,404.4                | 534.7           | 331.2            | 2,270.3         | 1,430.2          | 546.5           | 338.2            | 2,314.9         |
| Print Services                       | 0.0              | 2,107.9         | 0.0              | 2,107.9         | 0.0                    | 2,597.8         | 0.0              | 2,597.8         | 0.0              | 2,614.9         | 0.0              | 2,614.9         |
| Leases                               | 0.0              | 45,350.0        | 0.0              | 45,350.0        | 0.0                    | 44,844.2        | 0.0              | 44,844.2        | 0.0              | 44,844.2        | 0.0              | 44,844.2        |
| Lease Administration                 | 0.0              | 1,595.3         | 0.0              | 1,595.3         | 0.0                    | 1,488.8         | 0.0              | 1,488.8         | 0.0              | 1,515.8         | 0.0              | 1,515.8         |
| Facilities Administration            | 273.8            | 10,151.5        | 0.0              | 10,425.3        | 280.1                  | 15,161.6        | 0.0              | 15,441.7        | 280.1            | 15,165.4        | 0.0              | 15,445.5        |
| Facilities Administration            | 0.0              | 1,225.5         | 0.0              | 1,225.5         | 0.0                    | 1,661.7         | 0.0              | 1,661.7         | 0.0              | 1,683.3         | 0.0              | 1,683.3         |
| NPBF Facilities                      | 460.3            | 397.4           | 0.0              | 857.7           | 543.4                  | 280.9           | 0.0              | 824.3           | 543.7            | 280.9           | 0.0              | 824.6           |
| <b>Totals</b>                        | <b>3,096.8</b>   | <b>63,840.7</b> | <b>160.0</b>     | <b>67,097.5</b> | <b>4,179.3</b>         | <b>73,400.5</b> | <b>331.2</b>     | <b>77,911.0</b> | <b>5,208.0</b>   | <b>73,671.9</b> | <b>338.2</b>     | <b>79,218.1</b> |

**Shared Services of Alaska**  
**Summary of RDU Budget Changes by Component**  
**From FY2019 Management Plan to FY2020 Governor**

*All dollars shown in thousands*

|   | <u>Unrestricted</u><br><u>Gen (UGF)</u> | <u>Designated</u><br><u>Gen (DGF)</u> | <u>Other Funds</u> | <u>Federal</u><br><u>Funds</u> | <u>Total Funds</u> |
|---|---|---------------------------------------|--------------------|--------------------------------|--------------------|
| <b>FY2019 Management Plan</b>                                       | <b>481.4</b>                            | <b>3,697.9</b>                        | <b>73,400.5</b>    | <b>331.2</b>                   | <b>77,911.0</b>    |
| <b>Adjustments which<br/>continue current level of<br/>service:</b> |   |                                       |                    |                                |                    |
| -Accounting   | 0.0                                     | 2.6                                   | 190.1              | 0.0                            | 192.7              |
| -Purchasing   | 1.4                                     | 24.4                                  | 11.8               | 7.0                            | 44.6               |
| -Print Services   | 0.0                                     | 0.0                                   | 17.1               | 0.0                            | 17.1               |
| -Lease Administration   | 0.0                                     | 0.0                                   | 27.0               | 0.0                            | 27.0               |
| -Facilities   | 0.0                                     | 0.0                                   | 3.8                | 0.0                            | 3.8                |
| -Facilities Administration  | 0.0                                     | 0.0                                   | 21.6               | 0.0                            | 21.6               |
| -NPBF Facilities  | 0.3                                     | 0.0                                   | 0.0                | 0.0                            | 0.3                |
| <b>Proposed budget<br/>increases:</b>                               |   |                                       |                    |                                |                    |
| -Accounting   | 0.0                                     | 1,000.0                               | 0.0                | 0.0                            | 1,000.0            |
| <b>FY2020 Governor</b>  | <b>483.1</b>                            | <b>4,724.9</b>                        | <b>73,671.9</b>    | <b>338.2</b>                   | <b>79,218.1</b>    |