

State of Alaska FY2021 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.
- Accept, warehouse, distribute, and administer leased office and other types of space from the private sector and state property owners of the Executive Branch.
- Manage daily mail posting, interagency receipt, sorting, distribution, and post office delivery.
- Procure, manage, and administer leased office and other types of space from the private sector and state property owners of the Executive Branch.
- 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 rate development and budgeting 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 2019

- Onboarded travel reimbursement processing for all or part of twelve out of fourteen state departments, with more travel volume to be added in FY2020.
- Onboarded accounts payable processing for all or part of seven out of fourteen state departments, with more volume to be added in FY2020.
- Went live with the Accounts Payable and Travel Portal in FY2019, allowing for more expedient payment processing and travel reimbursements.
- Partnered with contractor for collections on delinquent accounts on behalf of state departments.
- Identified and initiated several significant collocation and relocation opportunities in state-owned PBF and Non-PBF buildings.
- Successfully transferred PBF and Non-PBF facilities maintenance team into the Department of Transportation and Public Facilities Division of Facilities Services including all regular maintenance responsibilities, service contract management, and administrative support for the team.
- Coordinated the following major capital improvement projects in FY2019: the renovation of the Calhoun entry stairs to the Juneau State Office Building, the security keycard conversion for facilities in the Southcentral region, renovations in the Douglas Island Building, and high priority repairs to the North and South garage at the Juneau State Office Building.
- Applied a more aggressive approach to negotiate leases to reduce costs beyond the AS.36.30.083 requirements.
- Assisted agencies in the reduction of agency lease costs by reconfiguring existing space to increase efficiency or relocating agencies into more efficient space.
- Sought out opportunities to move state agencies from private lease into state-owned facilities in effort to reduce lease costs.
- Engaged in the use of private tenant leases to generate revenue for Geological Materials Center to offset the cost of the building.
- Processed timely large volume annual mail-outs resulting from the mailing of the Alaska Permanent Fund Dividend as well as the mailing of required 1099s, 1098s, and W2s.
- Processed 214 Requests for Alternate Procurement (RAPs) and 37 waivers in FY2019 improved services in turnaround on requests due to continued use of process improvement techniques to find efficiencies in key processes.
- Successfully sold 4,706 items of excess state property, generating \$511,894 in revenue for the program.

Key RDU Challenges

Travel and Accounts Payable Initiatives – Continuing to transfer positions from other departments, which requires setup of workspaces, computers, and other equipment. Continuing to establish service level agreements, key performance indicators, and rates for services with each department.

Collaboration with Division of Facilities Services (DFS) – Implementing final maintenance procedures resulting from the transfer of the PBF and Non-PBF facilities maintenance team to the DFS. Shared Services is currently working with DFS to identify and implement efficiencies to maintenance processes. Shared Services continues to work with DFS for integrated PBF rate development processes.

Leasing – Communicating proactively with stakeholders well in advance to begin the renewal or relocation process for expiring leases. Continuing to educate stakeholders on the protocol for lease compliance and procurement and the fluctuating needs of agency occupancy, which may include expansion of certain leases or reconfiguration of currently occupied space.

Central Mail – Consulting with client agencies to maximize cost savings by utilizing Send Suite Live Shipping program, 3-5 digit zip code sorting, using electronic services for all eligible mail, and utilizing the data center printing services in conjunction with Central Mail Services as opposed to using contractors.

Statewide Contracting Office – Continuing work towards: automation using the state's enterprise system (IRIS) e-procurement module to foster improved efficiency for state agencies; improving access for Alaska vendors to state business; enhancing reporting on state purchasing activities as more data becomes available; improving outreach to state political subdivisions to ensure rural communities and other State of Alaska subdivisions have access to cost effective and efficient contracts.

Statewide Procurement Initiative – Centralizing statewide procurement leveraging an Alaska Administrative Productivity and Excellence (AAPEX) contract, which will culminate in a more robust and strategic implementation of cost savings and operational efficiencies.

Significant Changes in Results to be Delivered in FY2021

Facility Management – Additional state-owned buildings may be identified for transitioning into the Public Building Fund.

Security Procedures and Enhancements – Continue developing and updating policies and procedures to protect the state's physical structures and occupants.

Shared Services – A quality control trainer position is being created to conduct auditing for process improvements, present to departments, and train new hires.

Service Offerings – Implementation of Shared Services 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.

Process Standardization – Work towards automating processes and systems to produce improved efficiencies. This includes redesigning internal processes to take greater advantage of tools currently available but not being fully utilized.

Computerized Maintenance Management System (CMMS) Implementation – Ready Request will go online with a property-management component specifically catered to leasing database requirements. Cost efficiencies should be realized upon implementation.

State of Alaska Procurement Centralization – The State of Alaska is centralizing procurement functions. This centralization will leverage the AAPEX contract to establish best practices and training for staff who will transfer into the team while still in their home departments. Once all employees are in place and data collection has commenced, regular meetings with key stakeholders will bring forth opportunities for streamlining and lower negotiated contract pricing.

Data Collection – Refine methods for procurement data collection. This data is crucial to entering into new cooperative contracts that are negotiated at higher cost savings to the state and political subdivisions.

Private Leased Space – Multiple strategies to achieve overall lease cost savings will continue in FY2020. 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.

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

All dollars shown in thousands

	FY2019 Actuals				FY2020 Management Plan				FY2021 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												
Accounting	1,328.4	2,938.2	0.0	4,266.6	2,950.5	6,670.9	0.0	9,621.4	2,962.0	4,897.0	0.0	7,859.0
Business Transformation Office	335.4	0.0	0.0	335.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchasing	1,638.5	640.8	179.0	2,458.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stwd Contracting and Property	0.0	0.0	0.0	0.0	1,424.3	891.9	337.9	2,654.1	1,431.7	895.3	339.4	2,666.4
Print Services	0.0	2,065.7	0.0	2,065.7	0.0	2,614.9	0.0	2,614.9	0.0	2,567.4	0.0	2,567.4
Leases	0.0	43,793.0	0.0	43,793.0	0.0	44,844.2	0.0	44,844.2	0.0	44,844.2	0.0	44,844.2
Lease Administration	0.0	1,442.0	0.0	1,442.0	0.0	1,578.2	0.0	1,578.2	0.0	1,638.8	0.0	1,638.8
Facilities	208.2	10,277.5	0.0	10,485.7	280.1	15,165.4	0.0	15,445.5	280.1	15,165.4	0.0	15,445.5
Facilities Administration	0.0	1,089.9	0.0	1,089.9	0.0	1,618.6	0.0	1,618.6	0.0	1,623.1	0.0	1,623.1
NPBF Facilities	424.2	294.7	0.0	718.9	543.7	280.9	0.0	824.6	543.7	280.9	0.0	824.6
Totals	3,934.7	62,541.8	179.0	66,655.5	5,198.6	73,665.0	337.9	79,201.5	5,217.5	71,912.1	339.4	77,469.0

Shared Services of Alaska
Summary of RDU Budget Changes by Component
From FY2020 Management Plan to FY2021 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>
FY2020 Management Plan	481.7	4,716.9	73,665.0	337.9	79,201.5
Adjustments which continue current level of service:					
-Accounting	0.0	11.5	46.1	0.0	57.6
-Stwd Contracting and Property	0.0	7.4	3.4	1.5	12.3
-Print Services	0.0	0.0	-47.5	0.0	-47.5
-Lease Administration	0.0	0.0	60.6	0.0	60.6
-Facilities Administration	0.0	0.0	4.5	0.0	4.5
Proposed budget decreases:					
-Accounting	0.0	0.0	-1,820.0	0.0	-1,820.0
FY2021 Governor	481.7	4,735.8	71,912.1	339.4	77,469.0