

State of Alaska FY2023 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 of Alaska 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 2021

- Reduced transaction cycle times by 66% in A/P and 85% in travel and expense processing.
- Expanded services and increased documents processed for A/P and travel programs by 25%.
- Reduced the interagency document rate chargeback for A/P and travel programs by 22%.
- Partnered with our contractor for collections on delinquent accounts on behalf of state departments.
- Expanded the aged accounts receivable component with the onboarding of two additional agencies: Department of Transportation and Public Facilities and the Department of Labor and Workforce Development-Mechanical Inspections.
- Timely processing of large volume annual mail outs resulting from the mailing of the Alaska Permanent Fund Dividend as well as the mailing of the required 1099s, 1098s, and W2s.
- The Office of Procurement and Property Management (OPPM) made progress in promoting full and open competition by minimizing Limited Competition or Single Source Request for Alternative Procurements (RAPs). RAPs decreased by 17% in FY2020. The State Property Management Office successfully sold 5,077 items of State surplus property, generating \$546,965 in revenue. This was made possible in part by increasing bidders by 20% with inventive and no cost marketing strategies. A program designed to aid non-profits within the state, sold 497 items earning an additional \$24,099 in revenue.
- Identified and initiated several significant collocation and relocation opportunities in State-owned PBF and Non-PBF buildings.
- Effectively implemented telework in response to COVID-19.
- The Robert B. Atwood Building is currently at 99% occupancy due to the aggressive identification of several state agency backfill, collocation, and consolidation opportunities.
- Major capital improvement projects in FY20 include but are not limited to the finalization of the envelope project on the 2nd floor at the Atwood, repair and maintenance of the Atwood elevators, the earthquake mitigation work at the Atwood, OIT drain line repair in the Juneau State Office Building, finalization of the renovation of the Calhoun entry stairs in the Juneau State Office Building, and repairs in the north and south garage at the Juneau State Office Building.
- Applied a more assertive approach to negotiate leases to reduce cost beyond the AS.36.30.083 requirements.
- Continued to reduce agency lease costs by reconfiguring existing space to increase efficiency or relocating agencies into more efficient space.
- Increased efficient space utilization occurred and reduced vacant space through the relocation of agencies from private leases into DOA facilities. Engaged in the use of private tenant leases to generate revenue for Geological Materials Center to offset cost of the building.

Key RDU Challenges

A/P and Travel - Developing the procure-to-pay process in conjunction with OPPM to maximize efficiency in processing.

Aged A/R and Debt Recovery - Identifying aged (A/R) and debt recovery portfolio for all State of Alaska departments. Implementing an enhanced intercept program to improve enterprise-wide management of aged accounts receivable.

Central Mail – Continued efforts to mitigate risk of COVID-19 exposure for SOA employees in Juneau through alternate courier processes.

Statewide Contracting Office – The OPPM team is focused on centralized procurement consolidation, procurement support in response to COVID-19, automating procurement methods using the IRIS e-procurement system, and enhancing reporting on statewide service and commodity procurement. Improvements to procurement training and certification is also being addressed to maintain visibility on staff training and delegations of procurement authority. OPPM is dedicated to increasing the number of contracts available for State agencies and political subdivisions. Expanding outreach to rural communities and other State of Alaska subdivisions will increase access to cost effective and efficient contracts.

COVID-19 Mitigation - Due to the COVID-19 pandemic, all buildings have had modifications made to air intake, HVAC filters, and janitorial. Additionally, changes may need to occur as it relates to space management to either accommodate for additional space between employees and/or reduction of space due to telework options.

Significant Changes in Results to be Delivered in FY2023

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

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.

Data Collection - Data collection continues to be a challenge for OPPM. A solution needs to be identified to allow for visibility on high volume service and commodity purchases. This data will allow for the State to enter into new cooperative contracts negotiated at higher cost savings to the State and political subdivisions.

State of Alaska Procurement Centralization – The State of Alaska is consolidating procurement functions by moving procurement staff from departments to OPPM in FY2022. Consolidation requires establishing best practices and training for incoming staff to ensure consistent procurement processes are followed, and data collection geared toward process improvement and State spending practices will be readily available for analysis. Moving procurement staff into the division will require close participation by agency administrative staff to ensure all resources are in place and delays are minimized.

Real Property Disposal - Develop and implement surplus real property disposal.

Computerized Maintenance Management System (CMMS) Implementation – The CMMS ReADY Request will be online with a property management component specifically catered to leasing database requirements. Cost-efficiencies and quality in service should realize significant improvement upon implementation. The leasing program will need to evaluate how to best transfer from a current interim tracking system into the CMMS system which will provide greater tracking and reporting capabilities.

Contact Information

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

All dollars shown in thousands

	FY2021 Actuals				FY2022 Management Plan				FY2023 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												
OFC of Procure. Property. Mngmt.	0.0	0.0	0.0	0.0	1,910.6	6,646.1	541.3	9,098.0	1,867.2	6,613.2	534.5	9,014.9
Accounting	1,931.8	2,444.5	0.0	4,376.3	4,455.4	3,293.1	0.0	7,748.5	4,965.8	3,785.9	0.0	8,751.7
Stwd Contracting and Property	1,378.2	716.8	273.8	2,368.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Print Services	0.0	2,666.8	0.0	2,666.8	26.3	2,187.0	0.0	2,213.3	0.0	2,199.5	0.0	2,199.5
Leases	0.0	43,815.0	0.0	43,815.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lease Administration	0.0	1,537.7	0.0	1,537.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Facilities	177.0	10,762.3	0.0	10,939.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Facilities Administration	0.0	1,114.5	0.0	1,114.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NPBF Facilities	438.4	240.1	0.0	678.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	3,925.4	63,297.7	273.8	67,496.9	6,392.3	12,126.2	541.3	19,059.8	6,833.0	12,598.6	534.5	19,966.1

Shared Services of Alaska
Summary of RDU Budget Changes by Component
From FY2022 Management Plan to FY2023 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>
FY2022 Management Plan	468.6	5,923.7	12,126.2	541.3	19,059.8
Adjustments which continue current level of service:					
-OFC of Procure. Property. Mngmt.	0.0	-43.4	-32.9	-6.8	-83.1
-Accounting	-442.3	366.3	-93.7	0.0	-169.7
-Print Services	-26.3	0.0	12.5	0.0	-13.8
Proposed budget increases:					
-Accounting	0.0	586.4	586.5	0.0	1,172.9
FY2023 Governor	0.0	6,833.0	12,598.6	534.5	19,966.1