

State of Alaska
FY2023 Governor's Operating Budget

Department of Transportation/Public Facilities
Division of Facilities Services
Results Delivery Unit Budget Summary

Division of Facilities Services Results Delivery Unit**Contribution to Department's Mission**

Delivers, improves, and maintains safe and reliable facilities across Alaska.

Core Services

- Leadership and facilitation of State Facilities Council including executive branch departments, courts, and the university.
- Collaboration with Office of Management and Budget to develop statewide deferred maintenance prioritization strategy and process.
- Provide project management and engineering oversight for all vertical construction capital projects through Statewide Public Facilities, including deferred maintenance, federal, state airport, and energy efficiency programs.
- Perform or procure contracts for construction, remodels, or major repairs of state-owned facilities.
- Collaboration with executive branch departments to educate, guide, and operationalize best practices of facilities maintenance, including Department of Transportation and Public Facilities (DOT&PF) executed and delegated facilities construction projects.
- Provide for the maintenance and operations of state-owned facilities within Division of Facilities (DFS) portfolio.
- 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 and lease administration.

Major RDU Accomplishments in 2021

- Executed Service Level Agreements internally with DOT&PF, and externally with the Departments of Education and Early Development, Administration, Health and Social Services, Public Safety, Labor and Workforce Development, Natural Resources, and Alaska Courts. Continued onboarding of further departments, buildings, and functions for Service Level Agreement participation.
- Strategic planning efforts resulted in key strategic initiatives being developed and framing the focus for the coming year.
- Major portions of the statewide enterprise Computerized Maintenance Management System (CMMS) have been implemented, with maintenance work orders live as of July 2020. Implementation of the Assessment, Needs and Analysis, Real Estate and Leasing, and Capital Planning Projects modules are in-progress.
- Transitioned five components to include the Public Building Fund and Leasing group from the Department of Administration to Division of Facilities Services successfully.
- Continued to work cooperatively with agencies to ensure space is utilized in the most effective and efficient manner as the State strives to reduce the amount of leased space necessary for State agencies.
- Applied a more assertive approach to negotiate leases to reduce cost beyond the AS.36.30.083 requirements.
- Major capital improvement projects included but are not limited to the finalization of the envelope project on the second 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.
- Increased efficient space utilization and reduced vacant space through the relocation of agencies from private leases into state-owned facilities.
- Found state and non-state tenant revenue for the Geological Materials Center to offset maintenance and operations costs.

Key RDU Challenges

- DFS will continue to identify and manage the challenges with transitioning from a component to a Result Delivery Unit in FY2022.
- Refine statewide processes and practices, with a focus on normalizing facility maintenance across all buildings in the DFS portfolio as each department has historically maintained its facilities very differently.
- **Chargeback Rates Transition** - Work towards one consolidated SLA facility maintenance and PBF rates process and methodology.
- **Space Efficiency** - Anticipate and skillfully respond to the fluctuating needs of agency occupancy. This may include expansion of certain leases or reconfiguration of currently occupied space, reduction of agency footprint when possible, or agency relocation from private leases into state-owned facilities.
- **Space/Cost Reduction** - Continued effort to discuss space reduction options available to agencies as we evolve into more of a telework environment. Apply cost reduction strategies to equitably decrease the cost of lease space required by state agencies. Continue the ongoing task of designing, planning, and constructing in space to facilitate the needs of the state agencies.
- **Contract Management** - Lease compliance to ensure renovation, insurance and all other pertinent clauses are enforced. As needed, staff will also meet with state occupants to ensure they are informed of all cure issues and concerns related to their specific lease.
- **Security Concerns** - Security concerns are increasing statewide and are particularly prevalent in the Anchorage area. We are currently working with agencies and lessors to address these concerns where possible. Increased need for security in the Anchorage area may result in increased associated costs.
- **Database and Reporting** - Utilize an interim tracking system until implementation of the computerized maintenance management system.
- **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 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

- As DFS consolidates and matures, analysis and organizational design will be on-going to refine the operations of the division to accomplish the mission.
- **Computerized Maintenance Management System (CMMS) Implementation** – The CMMS ReADY Request will be online with a facilities management component specifically catered to respond to facility work orders in a timely manner. Cost efficiencies and quality in service should be realized upon implementation.

Contact Information
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**Division of Facilities Services
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												
Facilities Services	0.0	0.0	0.0	0.0	830.8	46,285.1	0.0	47,115.9	439.8	34,397.9	0.0	34,837.7
Leases	0.0	0.0	0.0	0.0	0.0	44,844.2	0.0	44,844.2	0.0	44,844.2	0.0	44,844.2
Lease Administration	0.0	0.0	0.0	0.0	45.0	1,114.7	0.0	1,159.7	11.0	969.6	0.0	980.6
Facilities Administration	0.0	0.0	0.0	0.0	280.1	15,165.4	0.0	15,445.5	260.5	15,803.7	0.0	16,064.2
Facilities Administration Non-Public Building Fund Facilit	0.0	0.0	0.0	0.0	0.0	1,640.2	0.0	1,640.2	0.0	1,794.9	0.0	1,794.9
Non-Public Building Fund Facilit	0.0	0.0	0.0	0.0	543.7	280.9	0.0	824.6	538.8	281.0	0.0	819.8
Totals	0.0	0.0	0.0	0.0	1,699.6	109,330.5	0.0	111,030.1	1,250.1	98,091.3	0.0	99,341.4

Division of Facilities Services
Summary of RDU Budget Changes by Component
From FY2022 Management Plan to FY2023 Governor

All dollars shown in thousands

	<u>Unrestricted</u> <u>Gen (UGF)</u>	<u>Designated</u> <u>Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total Funds</u>
FY2022 Management Plan	1,357.5	342.1	109,330.5	0.0	111,030.1
Adjustments which continue current level of service:					
-Facilities Services	-391.0	0.0	-362.2	0.0	-753.2
-Lease Administration	-34.0	0.0	-145.1	0.0	-179.1
-Facilities	0.0	0.0	638.3	0.0	638.3
-Facilities Administration	0.0	0.0	154.7	0.0	154.7
-Non-Public Building Fund Facilit	0.1	0.0	0.1	0.0	0.2
Proposed budget decreases:					
-Facilities Services	0.0	0.0	-11,525.0	0.0	-11,525.0
-Facilities	0.0	-19.6	0.0	0.0	-19.6
-Non-Public Building Fund Facilit	-5.0	0.0	0.0	0.0	-5.0
FY2023 Governor	927.6	322.5	98,091.3	0.0	99,341.4