

State of Alaska FY2007 Governor's Operating Budget

Department of Transportation/Public Facilities Statewide Facility Maintenance and Operations Results Delivery Unit Budget Summary

Statewide Facility Maintenance and Operations Results Delivery Unit

Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

Provide preventative maintenance, routine maintenance, repair work, and minor construction for 608 state facilities totaling over 2,517,943 square feet.

Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.

Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.

Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

End Results	Strategies to Achieve Results
<p>A: Improve customer satisfaction with DOT&PF facilities.</p> <p><u>Target #1:</u> Increase customer satisfaction with DOT&PF facilities to 80%.</p> <p><u>Measure #1:</u> Percent of customer satisfaction based on survey of customers.</p>	<p>A1: Improve the quality of DOT&PF facilities.</p> <p><u>Target #1:</u> Complete 90% of all work requests on time.</p> <p><u>Measure #1:</u> Percentage of work requests completed on time.</p>
End Results	Strategies to Achieve Results
<p>B: Increase DOT&PF efficiency.</p> <p><u>Target #1:</u> Decrease facility operating cost by 2%.</p> <p><u>Measure #1:</u> Percent change in facility operating cost.</p>	<p>B1: Reduce facility operating costs with new technologies and system upgrades.</p> <p><u>Target #1:</u> Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.</p> <p><u>Measure #1:</u> The percentage of annual expenditures specifically for energy saving upgrades.</p> <p><u>Target #2:</u> Increase preventative maintenance on time completion to 90%.</p> <p><u>Measure #2:</u> Percent of preventative maintenance completed on time.</p> <p>B2: Carry out safe DOT&PF operations.</p> <p><u>Target #1:</u> 10% increase in employees successfully completing required safety training.</p> <p><u>Measure #1:</u> Percent of employees completing required safety training.</p>

Major Activities to Advance Strategies

- Expand use of Facility Maintenance Management System
- Continue to install energy savings devices
- Conduct safety training and audits - work with Department of Labor and Workforce Development

FY2007 Resources Allocated to Achieve Results

FY2007 Results Delivery Unit Budget: \$17,711,800	Personnel:	
	Full time	68
	Part time	8
	Total	76

Performance Measure Detail

A: Result - Improve customer satisfaction with DOT&PF facilities.

Target #1: Increase customer satisfaction with DOT&PF facilities to 80%.

Measure #1: Percent of customer satisfaction based on survey of customers.

Customer Satisfaction

Year	YTD Total
2005	85%

Results are reported on a calendar year basis.

Analysis of results and challenges: DOT&PF managed facilities are used not only by department personnel but also by many of the other state departments. A survey was conducted by regional facilities managers of state facilities' occupants. The positive result from this survey indicates that the occupants of state facilities managed by DOT&PF are satisfied with the services provided by the department. Part of that satisfaction can be attributed to the customer service attitude of facilities staff and the development of user agreements that identify the expected level of service to the building occupants. Also, over the past several years, additional funds have been appropriated to address long standing deferred maintenance needs. The department receives numerous compliments from user agencies after this work is completed. Our goal is to continue to achieve satisfactory ratings from other agencies and we provide useful work environs for state agencies.

A1: Strategy - Improve the quality of DOT&PF facilities.

Target #1: Complete 90% of all work requests on time.

Measure #1: Percentage of work requests completed on time.

Percentage of work order requests completed timely

Fiscal Year	YTD Total
FY 2005	85%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: Tracking completion rates is a useful tool for managers to determine how long it takes to complete the work once requested. We experienced some challenges in implementing and recording this new measure statewide and are still modifying the way we track the scheduled completion times. Timely recording of actual completion of work orders is being emphasized in the regions.

In Facility Maintenance there are three work priorities, emergency or urgent, routine, and scheduled

preventative maintenance. On time completion means within 24 hours of notification of emergency or urgent type work orders. For routine work orders, discussions are conducted with the requestor and an expected completion date is identified. That date is entered into the maintenance database as the scheduled completion date. Anything that is completed prior to or by the expected completion date is considered completed "on time". Preventative maintenance are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring preventative maintenance based on the manufacturers recommendations.

B: Result - Increase DOT&PF efficiency.

Target #1: Decrease facility operating cost by 2%.

Measure #1: Percent change in facility operating cost.

Facility Operating Cost

Fiscal Year	YTD Total
FY 2004	\$4.40 per square foot
FY 2005	\$4.50 per square foot

Results are reported on a state fiscal year basis.

Analysis of results and challenges: FY05 represents a 2.3% increase over FY04 costs. During the past year costs for fuel, utilities and parts contained in the current operating costs have increased significantly. The majority of these costs are fixed. However, the high energy costs are also showing up in increased costs for parts, shipping, and contracts as companies must pass on the higher costs to deliver services. We should note that the energy saving devices installed over the last few years likely kept the cost increase from being much more.

B1: Strategy - Reduce facility operating costs with new technologies and system upgrades.

Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.

Measure #1: The percentage of annual expenditures specifically for energy saving upgrades.

Expenditures for Energy Saving Upgrades

Fiscal Year	YTD Total
FY 2005	2.9%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and HVAC control, and high efficiency window and door systems all contribute to reducing energy consumption. Due to the fluctuations in energy costs and variations in weather patterns, it would require substantial new resources to accurately track true savings performance. Since there is a recognized correlation, the measure of expenditures for energy upgrades as a performance assessment is valid.

Target #2: Increase preventative maintenance on time completion to 90%.

Measure #2: Percent of preventative maintenance completed on time.

Percent of preventative maintenance completed timely

Fiscal Year	YTD Total
FY 2005	95%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: The Facilities Maintenance Management System is automatically

generating preventative maintenance (PM) schedules. PMs are prescheduled work orders and are set up by frequency, i.e. monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring PMs based on the manufacturers recommendations. This is proving to be a valuable tool as crews are receiving reminders and schedules for PM work. Timely PM's will result in reduced breakdowns, crew call outs and replacement costs.

B2: Strategy - Carry out safe DOT&PF operations.

Target #1: 10% increase in employees successfully completing required safety training.

Measure #1: Percent of employees completing required safety training.

Percent of employees completing required safety training

Fiscal Year	YTD Total
FY 2005	100%

Results are reported on a state fiscal year basis.

Analysis of results and challenges: 100% attendance at safety meetings and required training is outstanding. Both the crews and the management of Facilities Maintenance realize the importance of a safe work environ and seriously undertook the initiative to promote safety. This measures mandatory first aid, CPR and safety meeting attendance.

Key RDU Challenges

As the public facilities continue to age, Facilities Maintenance and Operations is confronted with an increasing list of deferred maintenance repairs. Other demands include the burden of new laws and regulations and the steadily increasing costs of materials, parts, electricity, natural gas and heating oil. New facilities are added to our inventory each year. The cost of outsourcing portions of the maintenance works to contracts continues to rise as rates for skilled tradesmen increases. Conversely, it is becoming more difficult to attract and hire qualified journeyman as the pay and benefits are better elsewhere. Capital funding for major repairs, renewal and replacement of obsolete systems in facilities is inadequate to meet current needs and reduce the accumulated maintenance backlog. Our list of deferred maintenance projects is currently at \$31.3 million and continues to accumulate.

Significant Changes in Results to be Delivered in FY2007

Funds are included in this budget request to cover the increased cost of utilities, risk premiums, and facilities added to the inventory. These funds will ensure the current level of service is maintained in the Department of Transportation's facilities.

Major RDU Accomplishments in 2005

- Installed backup generator and ready line for Anchorage SEF
- Constructed office spaces and conference room Anchorage SEF
- Installed new VFD motors at Boney Court facility Anchorage
- Constructed new warm storage facility in Dillingham
- Constructed new Highway Maintenance Station in Willow
- Closed 5,249 work orders, 1,049 of which were preventative maintenance (Northern Region only).
- Administered or assisted in the administration of 137 contracts with the private sector exceeding \$5.9 million for Northern Region Maintenance and Operations.
- Provided design and construction management services for Juneau Pioneers' Home
- Designed roof replacement for Juneau Pioneers' Home
- Managed Ketchikan Court and Office Building Roof Repair Project.
- Replaced Clerestory panel at Department of Transportation and Public Facilities, 7-Mile Building.
- Completed 7-mile Boiler Replacement.
- Completed Sitka Court and Office Building, Boiler Replacement.
- Managed installation of Sitka Maintenance Station Ventilation System.

Contact Information

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**Statewide Facility Maintenance and Operations
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Central Region Facilities	3,697.0	0.0	1,386.5	5,083.5	3,853.2	0.0	1,290.4	5,143.6	4,645.7	0.0	1,437.3	6,083.0
Northern Region Facilities	5,958.8	43.6	3,012.6	9,015.0	6,146.9	172.5	2,852.0	9,171.4	7,258.6	177.0	3,040.8	10,476.4
Southeast Region Facilities	923.0	0.0	99.2	1,022.2	997.9	0.0	119.0	1,116.9	1,033.4	0.0	119.0	1,152.4
Totals	10,578.8	43.6	4,498.3	15,120.7	10,998.0	172.5	4,261.4	15,431.9	12,937.7	177.0	4,597.1	17,711.8

**Statewide Facility Maintenance and Operations
Summary of RDU Budget Changes by Component
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	10,998.0	172.5	4,261.4	15,431.9
Adjustments which will continue current level of service:				
-Central Region Facilities	86.5	0.0	131.1	217.6
-Northern Region Facilities	373.1	3.8	39.4	416.3
-Southeast Region Facilities	13.7	0.0	0.0	13.7
Proposed budget increases:				
-Central Region Facilities	706.0	0.0	15.8	721.8
-Northern Region Facilities	738.6	0.7	149.4	888.7
-Southeast Region Facilities	21.8	0.0	0.0	21.8
FY2007 Governor	12,937.7	177.0	4,597.1	17,711.8