

State of Alaska FY2013 Governor's Operating Budget

Department of Transportation/Public Facilities Design and Construction Results Delivery Unit Budget Summary

Design and Construction Results Delivery Unit

Contribution to Department's Mission

Improve the transportation system in Alaska and protect the health and safety of the people of Alaska by developing transportation and public facilities projects and constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Design has primary responsibility for a project from its initial funding through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. Design staff prepares geotechnical reports for the project site and materials sources, obtain necessary land interests and environmental clearances and permits, and prepare plans and obtain agreements with utility companies for required relocations.
- Design provides technical support functions to the department, other state and federal agencies, and local governments and the public. Examples include design assistance, traffic speed studies, bridge inspections, materials testing, processing of utility, right-of-way and traffic permits, preparation of environmental documents, a research program, and the Local Technical Assistance Program. The Design and Construction Standards section develops standards that are in use throughout the state.
- The Construction Sections administer construction contracts, provide field inspection and construction oversight, provide quality assurance that construction/environmental documentation and materials are in conformance with contract requirements during construction and closeout of projects, and report Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- The Contracts staff review construction documents, provide bid packages, advertise and award contracts, prepare certified bid tabulations, and help resolve bidding disputes. This unit also coordinates, solicits, selects, prepares and administers professional services agreements.
- The Project Control Sections coordinate and program project funding; administer state and federal grants; provide engineering management support; prepare and manage data within a management reporting system for capital projects; provide regional network administration and desktop computer support; and process time and equipment charges to projects.
- The Statewide Public Facilities Office oversees all building planning, design and construction related activities and acts as the advocate for department-wide facility needs. This section provides cost estimates and management services necessary to renovate, repair or build new state-owned public facilities.

| Major Activities to Advance Strategies | |
|--|---|
| <ul style="list-style-type: none"> • Design roads to appropriate standards • Minimize in-house costs for preconstruction services • Manage consultant contracts in a cost effective manner • Timely close-out of construction projects • Compare and contrast cost of in-house construction engineering (CE) with consultant CE | <ul style="list-style-type: none"> • Cross training between Design and Construction • Involve Construction and Maintenance in design process from project scoping • Explore innovative contracting methods • Greater use of technology in the field |

Key RDU Challenges

- The Federal Highway Administration (FHWA) Alaska Division and the department operate under a Stewardship and Oversight Agreement. The agreement focuses on a data driven, risk based oversight role for certain programs and project development and construction tasks. The department is responding to several new FHWA initiatives: this takes new department resources. Limited FHWA resources to accomplish their new review and approval functions may impact project delivery schedules, construction progress, and construction costs.
- The department has entered into a three-year Consent Decree with the Environmental Protection Agency for storm water compliance. Training, design requirements, and construction process requirements have

generated significant changes to our project delivery. Ongoing staff resources and commitment are necessary to sustain compliance with the terms of the Consent Decree.

- The department has assumed responsibility for approval of Categorical Exclusion (cat-ex) environmental documents, with restrictions, under a three-year agreement with the Federal Highways Administration (FHWA). The department elected to pursue the 6004 Memorandum of Understanding (MOU) in order to streamline the delivery of those projects subject to the cat-ex process in the MOU. The department is one of three states to undertake this pilot program, and the effort has reduced project delivery times.
- FHWA has selected several projects for 'high profile' status in accordance with the Stewardship & Oversight Agreement, requiring more design and construction oversight from FHWA. In turn, high profile projects take more department resources to oversee.
- Federal funding uncertainties result in the STIP being a moving target and prioritizing work can be a challenge.
- A key challenge continues to be to retain experienced engineers, right-of-way agents, and environmental analysts. Many are reaching retirement age. It is difficult to find and retain qualified staff willing to take long-term assignments to remote sites, often requiring exhaustive overtime and on-site presence for up to six months during the summer with little time off.

Significant Changes in Results to be Delivered in FY2013

The Department is establishing a Quality Control/Assurance Section within the Chief Engineer's Office (Statewide Design & Engineering Services component) to implement a quality improvement program covering all regions and headquarters.

Major RDU Accomplishments in 2011

- Paved 46.6 lane miles of gravel roads.
- Repaved 224.6 lane miles of roads.
- Reconstructed 109.2 lane miles of roads.
- Built 18.5 lane miles of new roads.

| Contact Information |
|---|
| Contact: Pat Kemp, P.E., Deputy Commissioner Phone: (907) 465-3900 Fax: (907) 586-8365 E-mail: Pat.Kemp@alaska.gov |

**Design and Construction
RDU Financial Summary by Component**

All dollars shown in thousands

| | FY2011 Actuals | | | | FY2012 Management Plan | | | | FY2013 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 | | | | | | | | | | | | |
| Statewide Public Facilities | 551.3 | 3,895.2 | 0.0 | 4,446.5 | 412.0 | 4,007.0 | 0.0 | 4,419.0 | 420.9 | 4,104.8 | 0.0 | 4,525.7 |
| SW Design & Engineering Svcs | 1,097.8 | 8,061.8 | 0.0 | 9,159.6 | 1,129.0 | 9,066.0 | 0.0 | 10,195.0 | 1,171.5 | 10,619.7 | 0.0 | 11,791.2 |
| Harbor Program Development | 367.6 | 200.5 | 0.0 | 568.1 | 378.3 | 219.3 | 0.0 | 597.6 | 391.1 | 224.4 | 0.0 | 615.5 |
| Central Design & Eng Svcs | 1,102.5 | 19,497.7 | 0.0 | 20,600.2 | 1,288.9 | 20,453.8 | 0.0 | 21,742.7 | 1,317.0 | 20,898.8 | 0.0 | 22,215.8 |
| Northern Design & Eng Svcs | 526.1 | 14,136.2 | 0.0 | 14,662.3 | 661.4 | 16,585.0 | 0.0 | 17,246.4 | 677.4 | 16,251.9 | 0.0 | 16,929.3 |
| Southeast Design & Eng Svcs | 819.0 | 7,736.5 | 0.0 | 8,555.5 | 853.5 | 9,817.5 | 0.0 | 10,671.0 | 886.1 | 10,069.0 | 0.0 | 10,955.1 |
| Central Construction & CIP | 476.8 | 19,632.8 | 0.0 | 20,109.6 | 492.3 | 19,670.9 | 0.0 | 20,163.2 | 503.5 | 20,047.3 | 0.0 | 20,550.8 |
| Northern Construction & CIP | 720.0 | 18,024.1 | 0.0 | 18,744.1 | 586.3 | 16,155.9 | 0.0 | 16,742.2 | 597.8 | 16,753.2 | 0.0 | 17,351.0 |
| Southeast Region Construction | 26.6 | 7,232.5 | 0.0 | 7,259.1 | 159.9 | 7,883.9 | 0.0 | 8,043.8 | 167.4 | 7,801.4 | 0.0 | 7,968.8 |
| Totals | 5,687.7 | 98,417.3 | 0.0 | 104,105.0 | 5,961.6 | 103,859.3 | 0.0 | 109,820.9 | 6,132.7 | 106,770.5 | 0.0 | 112,903.2 |

Design and Construction
Summary of RDU Budget Changes by Component
From FY2012 Management Plan to FY2013 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> |
|--|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| FY2012 Management Plan | 4,743.2 | 1,218.4 | 103,859.3 | 0.0 | 109,820.9 |
| Adjustments which will continue current level of service: | | | | | |
| -Statewide Public Facilities | 8.9 | 0.0 | 97.8 | 0.0 | 106.7 |
| -SW Design & Engineering Svcs | 42.5 | 0.0 | 1,053.7 | 0.0 | 1,096.2 |
| -Harbor Program Development | 12.8 | 0.0 | 5.1 | 0.0 | 17.9 |
| -Central Design & Eng Svcs | 12.4 | 15.7 | 445.0 | 0.0 | 473.1 |
| -Northern Design & Eng Svcs | 10.5 | 5.5 | -333.1 | 0.0 | -317.1 |
| -Southeast Design & Eng Svcs | 13.0 | 19.6 | 211.5 | 0.0 | 244.1 |
| -Central Construction & CIP | 11.2 | 0.0 | 376.4 | 0.0 | 387.6 |
| -Northern Construction & CIP | 11.5 | 0.0 | 597.3 | 0.0 | 608.8 |
| -Southeast Region Construction | 7.5 | 0.0 | -82.5 | 0.0 | -75.0 |
| Proposed budget increases: | | | | | |
| -SW Design & Engineering Svcs | 0.0 | 0.0 | 500.0 | 0.0 | 500.0 |
| -Southeast Design & Eng Svcs | 0.0 | 0.0 | 40.0 | 0.0 | 40.0 |
| FY2013 Governor | 4,873.5 | 1,259.2 | 106,770.5 | 0.0 | 112,903.2 |