

State of Alaska FY2002 Governor's Operating Budget

Department of Transportation/Public Facilities
Regional Support Services
Budget Request Unit

Regional Support Services Budget Request Unit

Contact: Nancy J. Slagle, Director, Division of Administrative Services

Tel: (907) 465-3911 **Fax:** (907) 465-3124 **E-mail:** Nancy_Slagle@dot.state.ak.us

BRU Mission

The mission of the Regional Support Services BRU is to provide leadership and accountability of regional activities and to support regional operations with quality procurement, current information technology and budgetary services.

BRU Services Provided

- Provide management support and budget coordination to all operating divisions in each region, with additional support to regional staff of Headquarters and Statewide divisions and the International Airports.
- The Regional Director's office provides management oversight of all functions of the organization and acts as liaison between divisions and between the department and other agencies and the public.
- The Procurement office is responsible for the purchase and delivery of supplies, equipment and services as well as property control.

BRU Goals and Strategies

Lead the development and maintenance of transportation systems that effectively move people and goods throughout each region.

- Develop consensus within the regional communities regarding transportation needs.
- Prioritize funding requests to optimize the use of public resources.

Continue reliable service with reduced general fund resources.

- Make use of technological changes to generate more efficient operations.
- Continually review operational organization and workflow for enhanced performance.
- Use competition between commodity suppliers to generate cost savings.

Provide effective administration, accurate budgeting, and efficient procurement.

- Provide point of contact for the general public, local government, other agencies, the Commissioner's Office and the Legislature concerning regional operations and policy.
- Support the functions of Maintenance and Operations, Design, Construction, Planning, Technology Transfer, and Research by accurate accounting, analysis and reporting of budget, expenditures and revenue.
- Procure and deliver requested supplies, equipment, and services promptly and in accordance with purchasing laws and regulations by implementing automated Buyspeed purchasing system.

Key BRU Issues for FY2001 – 2002

- To make our procurement process more efficient employees will be able to request goods and services through an Intranet system. This will eliminate the double entry of requests and make for a more prompt and accountable system.
- Improve information gathering and dissemination process to enhance efficiency.
- Continue the transition to Buyspeed for an ultimate increase in procurement efficiency.

Major BRU Accomplishments for FY2000

- Installed, activated, and provided training for Buyspeed Purchasing System to streamline the procurement process and expand on reporting capabilities and to enhance efficiency without loss of oversight.
- Improved budgeting accuracy in and efficiency by transitioning to Alaska Budgeting System (ABS).

- The department is streamlining the procurement process so that goods and services continue to be provided efficiently and according to all state, federal and local guidelines despite reduced budgets. This has resulted in the department transitioning to more efficient computerized systems such as Procurement Cards at some initial cost and loss of productivity, for an ultimate increase in procurement efficiency.
- Implementation of SE Alaska Transportation Plan continued which involves the construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, developed RFP for the first fast vehicle ferry in Alaska. Created newsletters and a web-site to assure public involvement in the continued implementation of the Plan.
- Completed comprehensive pricing and marketing study of Alaska Marine Highway System. This will serve as a guide to pricing and marketing decisions in the future.
- Implemented vessel communication project, which allows AMHS vessels to have e-mail capabilities and transfer data between ship and shore. This allows improvement in training, safety, financial and management systems aboard the vessels.
- Successfully completed Y2K remediation both on the AMHS vessels and in shoreside facilities. This involved the replacement of 80 computer workstations and upgraded software.

Key Performance Measures for FY2002

Measure: How long it takes to process a purchase request before the order is placed.

(Added by Legislature in FY2001 version.)

Current Status:

The DOT&PF processes about 1,700 purchase requests a month with a total of 6,350 line items. Processing time information is currently being collected for FY 01 through the department's automated procurement system.

Benchmark:

None.

Background and Strategies:

The amount of time it takes to process a purchase order varies widely due to their complexity and required methods of procurement based on the dollar value of the items. The following are statutory factors that impact performance measures in the purchase of commodities and services for the State of Alaska:

- "Reasonable and adequate" competition is required at \$5,000 or less. This involves contacting only one potential offeror in appropriate circumstances.
- At least 3 verbal quotations are required between \$5,000 and \$25,000; but often required in writing for purposes of clarity and conformance to specifications.
- The written Request for Quotation (RFQ) process is required between \$25,000 and \$50,000 which requires issuance of the State's standard terms and conditions, written bid responses from vendors.
- The formal Invitation to Bid (ITB) process is required at \$50,000 and above which includes formulating specifications, advertising the State's requirements in at least 3 publications, allowing 21 days for bid circulation and a ten day protest period prior to award of a contract.

Generally, the time required to accomplish a procurement increases with the monetary value and/or complexity of the particular item being purchased. For this reason, it is difficult to accurately measure and set performance standards with regard to procurement. Additionally the geographic remoteness throughout Alaska affects communication, approval processes, and delivery issues because of inclement weather conditions, vessels that are underway, and changing crews.

The Department procurement offices are collecting data using Buyspeed procurement software. The Department of Transportation and Public Facilities implemented Buyspeed on July 1, 2000, as the standard software for procurement for all regions. The data being collected will be evaluated and may be compared to other industry standards.

The implementation of Buyspeed allows for more efficient processing of stock requests and tracking subsequent purchases. The Procurement section expects to implement Web requisitioning during the next six months. This module of Buyspeed will allow end users with access to the Internet, to place requests via the department's web site.

The implementation of this system will reduce the amount of time it takes for a faxed or mailed copy of a requisition to be received. Additionally, duplicate data entry will be eliminated which will further reduce the average number of days to issue a purchase order. Further efficiencies in processing stock requests will be obtained with monitoring of problem orders and addressing individual issues.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• How long it takes to process a purchase request before the order is placed.		X			

**Regional Support Services
BRU Financial Summary by Component**

All dollars in thousands

	FY2000 Actuals				FY2001 Authorized				FY2002 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
Formula Expenditures None.												
Non-Formula Expenditures												
Central Support Svcs	686.2	0.0	91.9	778.1	651.0	0.0	98.0	749.0	700.6	0.0	96.1	796.7
Northern Support Services	759.9	0.0	286.9	1,046.8	723.5	0.0	329.7	1,053.2	778.1	0.0	327.9	1,106.0
Southeast Support Services	411.2	0.0	1,658.3	2,069.5	439.8	0.0	1,713.4	2,153.2	436.0	0.0	1,705.5	2,141.5
Totals	1,857.3	0.0	2,037.1	3,894.4	1,814.3	0.0	2,141.1	3,955.4	1,914.7	0.0	2,129.5	4,044.2

Regional Support Services

Proposed Changes in Levels of Service for FY2002

None.

Regional Support Services

Summary of BRU Budget Changes by Component

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,814.3	0.0	2,141.1	3,955.4
Adjustments which will continue current level of service:				
-Central Support Svcs	49.6	0.0	-1.9	47.7
-Northern Support Services	54.6	0.0	-1.8	52.8
-Southeast Support Services	-3.8	0.0	-7.9	-11.7
FY2002 Governor	1,914.7	0.0	2,129.5	4,044.2