

State of Alaska
FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities
Contracting, Procurement and Appeals
Component Budget Summary

Component: Contracting, Procurement and Appeals

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Component Mission

The mission of Contracting, Procurement & Appeals is to execute the DOT&PF Commissioner's statutory responsibility for construction contracting, and to execute authority delegated by the Commissioner of the Department of Administration for non-construction procurements under AS 36.30.015.

Component Services Provided

Services provided by the Contracting, Procurement and Appeals component are to:

- develop, implement, and maintain policies, procedures, and operational standards that assure all transportation modes and regions (marine highways, statewide aviation, statewide design and engineering services, the regional highway construction and maintenance groups, and sister agencies with a DOT&PF delegation of construction authority) receive responsive and consistent guidance in the administration of construction and non-construction procurement and contracting.
- provide direct support on procurement practices, contract formation and contract administration.
- administer the protest and claim appeal resolution.
- oversee Departmental compliance with federal and state laws, regulations, and policies governing procurement and contract administration.
- recommend changes to procurement law when appropriate.
- review and improve where necessary solicitation and contract language that serves to minimize exposure to claims and protests.
- analyze and assist in the resolution of contract and procurement claims and disputes before they become appeals.
- process both construction and non-construction procurement Waiver Requests.
- approve Term Agreements, Public Interest Findings, Design/Build and Force Account work.
- supervise warehouse, inventory and property control.
- give training on how to solicit for and manage construction and non-construction procurement contracts.
- develop and implement policies and procedures involving state tribal relations.
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Staff also monitor and report annually on:

- procurements made from sources out of state.
- the value of all procurements made annually.
- procurement violations and corrective action taken.
- open market authority (PCARD) use.
- all alternate procurements, regardless of cost.
- the number of bidders and proposers responding to our solicitations.
- civil litigation (protests and claims) completed and in process.

State owned, DOT&PF acquired, property valued in excess of \$1,000.

Component Goals and Strategies

To ensure compliance with all federal and state laws, regulations, and policies governing all forms of contracting and procurement.

- Provide advice, guidance, training and tools necessary to assure funding eligibility in accordance with federal aid and grant requirements.
- Ensure all non-construction related procurement officers are certified under the DOA Certification Program.
- Establish statewide consistency by the promulgation of statewide policy, regulation and procedures concerning procurement and contract administration.
- Evaluate and document all procurement waivers and public interest findings to ensure compliance with federal and state law.
- Act as liaison with the Department of Administration on evaluating shared interests in current regulatory and statutory authorities. Recommend changes in legislation where necessary to promote procurement efficiencies.

- Coordinate and review current and proposed procurement and contracting procedures with stakeholders including Associated General Contractors of Alaska, construction Labor Unions, and the Alaska Professional and Design Council.
- Administer the Contracting Officers' Warrant system and provide required training at statewide locations.
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- To promote efficient and economical contracts and/or improve project deliveries.
 - Review procurement and contracting methods in use by other governmental entities and implement as appropriate;
 - Continue to assess and advance the incorporation of electronic bidding procedures as appropriate.
 - Promote cost savings through economies of scale and the establishment of department-wide term contracts;
 - Renew and establish new Alaska Marine Highway System (AMHS) office space lease contracts to assure continuity of operations - purchase one-time requirements to meet project deadlines.
- To provide responsible oversight of inventory and property control:
 - Promote responsible management of state property by documenting lost, stolen, or damaged equipment and requesting the disposal of obsolete and excess property items.
 - Establish sound departmental warehouse inventory levels and procedures by conducting annual reviews of regional warehouse functions.

Key Component Issues for FY2002 – 2003

- Contracting Officer Warrants are issued to those employees delegated construction procurement authority. The warrant certifies the holder has met the requirements of training and experience for procurement authority at a specific level. The DOT&PF Contracting Officers' Warrant System supplements coverage of Alaska Statute, Title 36, Public Contracts and is intended for use in the development and execution of construction projects. The Warrant System applies to all employees in the Department who are responsible for procuring and administering professional services and construction related activities, including those employees of Sister Agencies who are delegated authority from DOT&PF for construction activities. The Department will implement the System by issuing warrants to approximately 405 recipients, provide associated training, and develop and institute an electronic database for tracking and maintaining issued warrants.
- We are actively listening to contractors and working directly with them and construction industry representatives on claims adjudication procedures. These efforts will coordinate and review recommended changes to procurement, contracting, and claim settlement practices. Based on the findings, we will incorporate those changes in our processes to reduce the frequency, duration, and cost of resolving contractual disputes.
- This office will continue to work hard towards providing direct and immediate support to the regions and sister agencies so that uniform and consistent procurement and contract administration is assured. This will be accomplished not only by providing advice individually, but also by identification of those global needs for procurement and contract administration guidelines. Desired results will be achieved by issuance of new or revised policies and procedures, and by providing training at statewide locations. Such efforts will assure Department compliance with federal and state laws, regulations, and policies governing procurement and contract administration.
- We will continue our aggressive work with the Department of Labor to support the Department's and the Governor's efforts to promote local hire and to encourage local communities to assist the State in supporting local hire issues.

Major Component Accomplishments in 2001

- Completed the Contracting Officers' Warrant System development and began implementation of that program (see explanation of the system under "Key Component Issues for FY 2002 - FY 2003"). Also - assessed Warrant System training needs and began development of an extensive training program.
- Updated the Small Procurement Construction Manual making it more concise and user friendly. The Manual provides policy, procedure and guidance on small procurements of less than \$ 100,000 that are construction related. Publication and distribution of the new Manual will occur in FY 2002.
- Assisted the Dept. of Law in developing language for and movement to implementation of new law on payment of interest on settled construction claim appeals.
- Implemented agreements with the Bureau of Indian Affairs (BIA) for regional village participation on certain remote construction projects. This will be an ongoing, mutual effort with the BIA.

- Implemented new construction project advertising procedures that greatly reduced the size of the notices. This has the impact of saving substantially on annual advertising costs.
- Developed language for and moved for adoption of new or revised department policies and procedures on:
 1. Force Account Construction
 2. The Public Interest Finding
 3. Investigating Suspected Procurement Code Infractions, and
 4. Bid Openings
- From the STIP construction project list, reviewed and made formal determinations on each project on whether the site was a remote location in need of a contract requirement for a remote camp facility to house construction staff. This was/is a collaborative effort with regional directors, the Associated General Contractors of Alaska, and construction Labor Union(s).

Statutory and Regulatory Authority

U.S.C. Title 23

AS Title 02, Aeronautics

AS Title 19, Highways and Ferries

AS Title 35, Public Buildings, Works and Improvements

AS Title 36, (Procurement Code)

AS Title 44, (Applicable Portions)

2 AAC 12, Procurement Regulations

AAM (Alaska Administrative Manual)

Delegation of non-construction procurement authority from Dept. of Administration to the DOT&PF Commissioner

Contracting, Procurement and Appeals

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	417.7	437.5	450.1
72000 Travel	17.7	12.0	12.0
73000 Contractual	77.5	35.1	35.1
74000 Supplies	14.3	6.9	6.9
75000 Equipment	7.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	534.2	491.5	504.1
Funding Sources:			
1004 General Fund Receipts	277.3	273.8	281.1
1007 Inter-Agency Receipts	29.0	41.9	41.9
1026 Highway Working Capital Fund	34.6	34.5	35.5
1027 International Airport Revenue Fund	35.7	35.6	36.7
1061 Capital Improvement Project Receipts	157.6	105.7	108.9
Funding Totals	534.2	491.5	504.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	29.0	41.9	29.0	41.9	29.0
Capital Improvement Project Receipts	51200	157.6	105.7	105.7	108.9	108.9
Restricted Total		186.6	147.6	134.7	150.8	137.9
Total Estimated Revenues		186.6	147.6	134.7	150.8	137.9

Contracting, Procurement and Appeals
Proposed Changes in Levels of Service for FY2003

None.

Summary of Component Budget Changes
From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	273.8	0.0	217.7	491.5
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	7.3	0.0	5.3	12.6
FY2003 Governor	281.1	0.0	223.0	504.1

Contracting, Procurement and Appeals

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	6	6	Annual Salaries	331,230
Part-time	0	0	COLA	9,378
Nonpermanent	0	0	Premium Pay	2,052
			Annual Benefits	117,471
			<i>Less 2.18% Vacancy Factor</i>	(10,031)
			Lump Sum Premium Pay	0
Totals	6	6	Total Personal Services	450,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	0	0	1	0	1
Chief Contracts Officer	0	0	1	0	1
Engineering Associate	0	0	1	0	1
Procurement Spec II	0	0	1	0	1
Procurement Spec III	0	0	1	0	1
Procurement Spec V	0	0	1	0	1
Totals	0	0	6	0	6