

State of Alaska FY2005 Governor's Operating Budget

Department of Administration Purchasing Component Budget Summary

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Component: Purchasing

Contribution to Department's Mission

To assist state agencies and political subdivisions to achieve their public mission and reduce costs by providing professional procurement services.

Core Services

- Establish cost-effective multi-agency term contracts for high use supplies and services needed by all agencies.
- Provide training to client agencies on the application of the State Procurement Code (AS 36.30, 2 AAC 12) and the Alaska Administrative Manual.
 - Provide consultation to client agencies to assist them in their procurement of supplies, services and professional services.
 - Participate in and facilitate cooperative purchases with qualified public procurement units to increase buying power and leverage limited resources.
 - Provide guidance and leadership in procurement by supplying procurement information, policy manuals, standard documents and forms, automated procurement tools and other necessary information.

End Results	Strategies to Achieve Results
<p>(1) Improve Cost Effectiveness of State Procurement.</p> <p><u>Target:</u> Increase savings for goods and services by 5 % from FY03.</p> <p><u>Measure:</u> Percent of change in cost of goods and services.</p>	<p>(1) Establish consolidated contracts for statewide use.</p> <p><u>Target:</u> Establish 5 new contracts or purchasing agreements.</p> <p><u>Measure:</u> Number of new consolidated contracts or purchasing agreements.</p> <p>(2) Training and certification of state agency procurement personnel.</p> <p><u>Target:</u> Maintain current number of annual training courses, and process certifications within 10 days after an individual meets the minimum requirements.</p> <p><u>Measure:</u> Annual number of training sessions, personnel certified and re-certified.</p>

Major Activities to Advance Strategies
<ul style="list-style-type: none"> • Procurement and expenditure analysis to determine which new contracts should be established. • Issue solicitations or enter into cooperative agreements to obtain cost effective contracts.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,012,500	Personnel:	
	Full time	13
	Part time	0
	Total	13

Performance Measure Detail

(1) Result: Improve Cost Effectiveness of State Procurement.

Target: Increase savings for goods and services by 5 % from FY03.

Measure: Percent of change in cost of goods and services.

(1) Strategy: Establish consolidated contracts for statewide use.

Target: Establish 5 new contracts or purchasing agreements.

Measure: Number of new consolidated contracts or purchasing agreements.

(2) Strategy: Training and certification of state agency procurement personnel.

Target: Maintain current number of annual training courses, and process certifications within 10 days after an individual meets the minimum requirements.

Measure: Annual number of training sessions, personnel certified and re-certified.

Key Component Challenges

Increase the current level of services while utilizing the same staff resources to:

- Automate systems and procurement methods using the Internet to foster improved efficiency for state agencies, improved access for Alaska Vendors to state business, and enhanced reporting on state purchasing activities;
- Improve the statewide procurement officer certification and training program;
- Maintain and enhance the Web-based system to track state procurement officer certifications, training records, and delegations of purchasing authority;
- Increase the number of statewide term contracts available for all state agencies and political subdivisions;
- Implement and administer the procurement outsourcing pilot project in accordance with HB 313.

Significant Changes in Results to be Delivered in FY2005

Identify and implement new procurement cost savings, cost avoidance and efficiency measures.

Major Component Accomplishments in 2003

- Received the National Purchasing Institute's "Achievement of Excellence in Procurement" award - 2003
- Received recognition from the National Institute of Governmental Purchasing "Presidential Citation Award for Best Practices" - DGS' Procurement Distance Learning Program and Training CD
- Continued successful operation of the statewide procurement officer training/certification program, database and web site
- Developed a new procurement course (Procurement Law, Regulation & Policy) to augment DGS' training curriculum

- Presented 21 procurement training courses to 501 attendees
- Awarded vehicle rental contracts at Juneau, Anchorage and Fairbanks
- Established permissive price agreements for use by all departments
- Awarded statewide land and vessel fuel contracts
- Awarded statewide contracts for copiers
- Issued policy directives to all departments regarding construction definitions, new copier purchases and cost weighting for RFPs
- Participated in a multi-state cooperative purchase for laboratory supplies and equipment
- Awarded multi-department contracts for aircraft cargo, passenger and helicopter charters
- Administered various statewide contracts covering supplies and services such as microcomputers, software, express package delivery services, industrial supplies, office supplies, fax machines, heating fuel, bakery goods, groceries, meats, car rental, copiers, laboratory equipment and supplies and pharmaceuticals which resulted in significant savings to the State
- Provided consultative services to all departments - reviewed advanced level procurement work and provided direction regarding complex solicitations, requests for alternate procurement, protests, appeals, violations and unique procurement situations

Statutory and Regulatory Authority

AS 36.30	State Procurement Code
AS 44.21.020(1),(4)	Duties of the Department
AS 44.99.200-240	State Publications
CHAPTER 51 SLA 03	Procurement Pilot Project
2 AAC 12	Procurement
2 AAC 15	Purchasing

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**Purchasing
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	843.0	814.9	853.9
72000 Travel	25.4	4.4	4.4
73000 Contractual	84.4	178.6	139.6
74000 Supplies	40.9	14.6	14.6
75000 Equipment	0.0	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	993.7	1,012.5	1,012.5
Funding Sources:			
1004 General Fund Receipts	969.3	1,012.5	1,012.5
1007 Inter-Agency Receipts	24.4	0.0	0.0
Funding Totals	993.7	1,012.5	1,012.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	14.2	0.0	0.0
Unrestricted Total		14.2	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	24.4	0.0	0.0
Restricted Total		24.4	0.0	0.0
Total Estimated Revenues		38.6	0.0	0.0

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	1,012.5	0.0	0.0	1,012.5
FY2005 Governor	1,012.5	0.0	0.0	1,012.5

**Purchasing
Personal Services Information**

Authorized Positions		Personal Services Costs		
	FY2004 Authorized	FY2005 Governor		
Full-time	13	13	Annual Salaries	630,816
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	254,155
			<i>Less 3.51% Vacancy Factor</i>	<i>(31,071)</i>
			Lump Sum Premium Pay	0
Totals	13	13	Total Personal Services	853,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Tech II	0	0	1	0	1
Administrative Clerk III	0	0	1	0	1
Administrative Manager IV	0	0	1	0	1
Administrative Svcs Mgr	0	0	1	0	1
Chief Procurement Off	0	0	1	0	1
Contracting Officer III	0	0	5	0	5
Contracting Officer IV	0	0	1	0	1
Publications Tech II	0	0	1	0	1
Totals	0	0	13	0	13