

State of Alaska
FY2005 Governor's Operating Budget

Department of Transportation/Public Facilities
Administration and Support
Results Delivery Unit Budget Summary

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Administration and Support Results Delivery Unit

Contribution to Department's Mission

The mission is to provide executive leadership, coordination with other governmental agencies and assurance of program management within legal guidelines.

Core Services

The Department of Transportation and Public Facilities (DOT&PF) is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between steady planned growth in the intermodal transportation system, which supports economic development and improved quality of life, and the effective management of maintenance and operations for the state's existing investment in transportation and public facilities infrastructure. This RDU contains the highest level of leadership necessary to ensure the department meets its statutory responsibilities.

The Contracting, Procurement and Appeals Section develops, implements, and maintains policies, procedures, and standards that assure all transportation modes and regions receive responsive and consistent guidance, direction and training in administering construction and non-construction procurements and contracts.

Internal Review is an independent section that reports directly to the Commissioner. Internal Review is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the Department is meeting its statutory requirements and achieving its objectives.

The Office of Equal Employment and Civil Rights is responsible for developing and implementing three (3) affirmative action programs (DBE, ExEEO, and OJT) which provide opportunities that otherwise would not normally exist within the construction arena. These programs apply to contractors and subcontractors working on USDOT-assisted projects. It also oversees two (2) non-discrimination programs (Title VI of the Civil Rights Act of 1964 & Americans with Disabilities Act of 1990 [ADA]) which ensure equal treatment by the Department with respect to its dealings with the public in all phases of operation.

The Transportation Management and Security Section develops policies, procedures and standards for M&O activities statewide to ensure uniform maintenance practices, and provide technical guidance to regional offices. The section coordinates major maintenance projects and determines priority of statewide projects.

End Results	Strategies to Achieve Results
<p>(1) Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs.</p> <p><u>Target:</u> Zero federal funds lost due to non-compliance with federal Civil Rights assurances.</p> <p><u>Measure:</u> Money lost due to failure to comply with federal assurances regarding the elimination</p> <p>(2) Assure International Airports receive all revenues in compliance with concession agreements.</p> <p><u>Target:</u> Complete all requested audits covering compliance and revenue for concession agreements requested</p>	<p>(1) To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.</p> <p><u>Target:</u> Increase the variety of highway construction contractors reviewed compliance with federal equal opportunity regulations by 15 %.</p> <p><u>Measure:</u> Percentage change of construction contractors reviewed for compliance with federal equal opportunity regulations over previous federal fiscal year.</p> <p><u>Target:</u> Increase the number of OJT trainees on highway projects by 5 %.</p> <p><u>Measure:</u> Percentage change in OJT trainees participating in highway projects from previous fiscal year.</p>

End Results	Strategies to Achieve Results
<p><u>Measure:</u> Percent completion of requested concession audits.</p>	<p>(2) Issue timely audit reports.</p> <p><u>Target:</u> Reduce by 5% the number of days between request and issuance of all overhead rate audits. <u>Measure:</u> Percent change in number of days between overhead rate audit request and report issuance.</p> <p><u>Target:</u> Reduce by 5% the number of days between request and issuance of all airport concession audits. <u>Measure:</u> Percent changes in number of days between airport concession audit request and report issuance.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> Review highway construction contractors (external equal employment, disadvantaged business participation, on the job training) Communicate EEO requirements to contractors & prospective contractors Provide training and working document assistance to highway contractors, DBE firms Engineering consultant pre-award overhead rate audits 	<ul style="list-style-type: none"> Utility company rate audits Concessionaire audits Additional training and material support for OJT trainees on highway projects

FY2005 Resources Allocated to Achieve Results							
<p>FY2005 Results Delivery Unit Budget: \$3,972,300</p>	<p>Personnel:</p> <table> <tr> <td>Full time</td> <td>39</td> </tr> <tr> <td>Part time</td> <td>1</td> </tr> <tr> <td>Total</td> <td>40</td> </tr> </table>	Full time	39	Part time	1	Total	40
Full time	39						
Part time	1						
Total	40						

Performance Measure Detail

(1) Result: Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs.

Target: Zero federal funds lost due to non-compliance with federal Civil Rights assurances.

Measure: Money lost due to failure to comply with federal assurances regarding the elimination

Funds Lost Due to Non-compliance with Federal Civil Rights Assurances

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2002	not available	not available	not available	not available	\$0.0
2003	not available	not available	not available	not available	\$0.0

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department

to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska.

(2) Result: Assure International Airports receive all revenues in compliance with concession agreements.

Target: Complete all requested audits covering compliance and revenue for concession agreements requested

Measure: Percent completion of requested concession audits.

Percent Requested Concession Audits Completed

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available	not available	not available	not available	100%

Analysis of results and challenges: Our target is to complete all audit requests in a timely manner and have no outstanding requests at year-end. During fiscal year 2003 Internal Review received requests for and completed 3 audits. Therefore, Internal Review is on track in addressing this performance measure as all audits requested have been completed.

Audit requests are currently being tracked. Generally there have been no outstanding audit assignments in this category at year end. Issuance of these audits is important to the airports (Fairbanks and Anchorage) to insure compliance and receipt of required revenue by the airports and could effect approval and/or continuation of concessionaire agreements for future activity.

(1) Strategy: To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.

Target: Increase the variety of highway construction contractors reviewed compliance with federal equal opportunity regulations by 15 %.

Measure: Percentage change of construction contractors reviewed for compliance with federal equal opportunity regulations over previous federal fiscal year.

Construction Contractor Compliance Reviews Completed

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2001	not available	not available	not available	not available	14
2002	not available	not available	not available	not available	13
2003	not available	not available	not available	not available	15

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska.

Target: Increase the number of OJT trainees on highway projects by 5 %.

Measure: Percentage change in OJT trainees participating in highway projects from previous fiscal year.

Number of OJT Trainees Participating in Highway Projects

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available				

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment

provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska.

(2) Strategy: Issue timely audit reports.

Target: Reduce by 5% the number of days between request and issuance of all overhead rate audits.

Measure: Percent change in number of days between overhead rate audit request and report issuance.

Number of Days Between Audit Request and Report Issuance

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available				

Analysis of results and challenges: Data is beginning to be collected and will then be available to identify average days between request and issuance of audit report and allow tracking from year to year. This is important as the sooner the audits are completed the sooner the contracts with audited overhead rates can be put in place or amended with current rate information. The audits are also important as they cover the acceptability of the firms' accounting system and attests that the costs included in their overhead rates comply with all federal requirements. We also spot check charges on ongoing work to ensure billings are accurate and meet federal requirements. During FY2003 Internal Review received 56 requests for audits and completed all of them.

Target: Reduce by 5% the number of days between request and issuance of all airport concession audits.

Measure: Percent changes in number of days between airport concession audit request and report issuance.

Number of Days Between Audit Request and Report Issuance

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
2003	not available				

Analysis of results and challenges: Data is beginning to be collected and will then be available to identify average days between request and issuance of audit report and allow tracking from year to year. This is important as the sooner the audits are completed the sooner the accurate revenues collections can be assured. Issuance of these audits is important to the airports (Fairbanks and Anchorage) to ensure compliance and receipt of required revenue by the airports and could effect approval and/or continuation of concessionaire agreements for future activity. During FY2003 Internal Review recieved requests for 3 audits and completed all of them.

Key RDU Challenges

- Key issues in the department are the levels and allocation of federal construction funds, compliance with federal environmental requirements, growth and redevelopment of the Anchorage International Airport and changes in the composition and service levels of the Alaska Marine Highway System. Leadership is needed to meet the challenge to maintain a positive and productive work environment, facilitate meaningful human resources development and ensure high levels of responsiveness to the general public.
- Deferred maintenance needs continue to increase at state facilities due to lack of capital funding and fewer available operating resources for vital preventative and routine maintenance tasks. In Interior areas of the state, warmer weather trends are causing thawing of permafrost. This is resulting in pavement failure and ground deformation on roadways and airports increasing the deferred maintenance backlog.
- Security of all transportation assets is still a main focus following the events of September 11, 2001 and continuing international terrorism events. Continued communication and coordination with local, state and federal law enforcement is essential to respond to terrorist actions as well as natural disasters. Federal security regulations are still evolving for the airports, marine highway terminals and vessels, and other surface infrastructure including tunnels and bridges. The Commissioner's Office must keep abreast of the new requirements for all the modal functions and be able to direct resources to the changing priorities.
- In addition to providing direct and immediate support to the regions and customer agencies on procurement/contract matters, we will continue to further assist staff by developing regulations for dispute resolutions and Design/Build

procurements and continuing activities that ensure departmental compliance with requirements for local pre-bid or post-bid award conferences for public projects in rural Alaska, in accordance with AO 199. These actions will serve to ensure uniform and consistent procurement and contract administration.

- We will continue to actively listen and work with contractors and construction industry representatives on changes to claims adjudication statutes and regulations with objectives of creating alternatives to contractual dispute resolution. The eventual goal to be achieved by this activity is the reduction in frequency, duration, and cost of resolving contractual disputes.
- Continue work with the Department of Labor to encourage local hire when viable and appropriate. New policy and procedures will need to be developed to better address local hire on USDOT-assisted construction in rural communities.
- The Civil Rights office must ensure that there is no disruption in service during the construction season. Changes in federal regulations will result in increased reporting, active maintenance of a bidder's list, implementation of a Unified Certification Program in cooperation with other Alaska recipients of USDOT assistance, additional review of financial statements and the need for increased legal assistance.

Significant Changes in Results to be Delivered in FY2005

No significant changes.

Major RDU Accomplishments in 2003

- The development of the Maintenance Management System is underway with major design elements complete.
- The department completed update and revision of the Safety Manual. This extensive effort utilized manuals from other states as a base and made Alaska specific modifications. The Manual was deployed to all divisions and initial training started.
- The department hired a Statewide Safety Officer to focus on deploying and training employees on the Safety Manual. The Safety Officer is also charged with oversight of all accidents and workers compensation claims.
- Eight Road Weather Information Systems (RWIS) were deployed in Anchorage. These weather stations allow foreman to direct crews to more efficiently apply anti-icing agents and remove snow and ice. An additional 31 weather stations will be installed along portions of the Glen, Richardson, Seward, Parks, and Alaska Highways and road segments in Southeast. Improvements continue to be made in the coordination, standardization and oversight of road, airport and building maintenance and operations.
- Completed implementation of the Contracting Officers' Warrant System and provided five of six levels of training to 200 participants.
- Implemented agreements with the Bureau of Indian Affairs (BIA) for regional village participation on certain remote construction projects.
- From the STIP construction project list, reviewed and made formal determinations on each construction related 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 is a collaborative effort with the DOT&PF Regional Directors, the Associated General Contractors of Alaska, and Alaska's construction Labor Union(s).
- The Internal Review Section completed 56 consultant engineering overhead rate audits, 12 utility company rate audits, 11 cost allocation plan reviews, 3 concession audits, and 19 final audits to ensure rates and other charges under contracts with the Department are supportable and meet federal requirements.
- Assisted the Division of Legislative Audit in performance of their annual single audit of the State, which completes the annual 'Federal Single Audit' requirements.
- Continued a new initiative with an FHWA \$200,000 grant, in partnership with Alaska Department of Labor and Workforce Development Denali Training Fund, the US Department of Labor (ATELS) and the Alaska Native Council on Education and Training (ANCET), to increase Alaska Native rural employment on ADOT&PF projects;
- Held 4 partnering sessions to develop innovative strategies to increase employment on ADOT&PF projects in rural Alaska ;
- Increased to 645 the number of trainee positions on ADOT&PF highway projects and continued trainee positions on airport projects to provide additional employment opportunities for rural residents.

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**Administration and Support
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2003 Actuals				FY2004 Authorized				FY2005 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												
Commissioner's Office	0.0	0.0	0.0	0.0	589.8	170.0	430.2	1,190.0	540.0	170.0	564.9	1,274.9
Contracts, Procurement, Appeals	261.4	0.0	286.9	548.3	214.4	0.0	250.4	464.8	196.3	0.0	281.1	477.4
EE/Civil Rights	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	222.0	0.0	546.3	768.3
Internal Review	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46.9	0.0	748.1	795.0
Transportation Mgmt & Security	0.0	0.0	210.5	210.5	0.0	0.0	406.3	406.3	0.0	0.0	656.7	656.7
Totals	261.4	0.0	497.4	758.8	804.2	170.0	1,086.9	2,061.1	1,005.2	170.0	2,797.1	3,972.3

**Administration and Support
Summary of RDU Budget Changes by Component
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	804.2	170.0	1,086.9	2,061.1
Adjustments which will continue current level of service:				
-Commissioner's Office	-49.8	0.0	89.7	39.9
-Contracts, Procurement, Appeals	-18.1	0.0	30.7	12.6
-EE/Civil Rights	0.0	0.0	41.2	41.2
-Internal Review	0.0	0.0	19.0	19.0
-Transportation Mgmt & Security	0.0	0.0	35.5	35.5
Proposed budget decreases:				
-EE/Civil Rights	-20.5	0.0	0.0	-20.5
-Internal Review	-4.3	0.0	0.0	-4.3
Proposed budget increases:				
-Commissioner's Office	0.0	0.0	45.0	45.0
-EE/Civil Rights	0.0	0.0	66.0	66.0
-Transportation Mgmt & Security	0.0	0.0	214.9	214.9
FY2005 Governor	1,005.2	170.0	2,797.1	3,972.3