

# **State of Alaska FY2006 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Statewide Facility Maintenance and Operations Results Delivery Unit Budget Summary**

## Statewide Facility Maintenance and Operations Results Delivery Unit

### Contribution to Department's Mission

Provide cost-effective, environmentally sound and reliable public facilities.

### Core Services

- Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.
- Provide preventative and routine maintenance, repairs, remodeling, and major maintenance for state-owned facilities.

End Results	Strategies to Achieve Results
<p><b>A: Improve customer satisfaction with DOT&amp;PF facilities.</b></p> <p><u>Target #1:</u> Increase customer satisfaction with DOT&amp;PF facilities to 80%.</p> <p><u>Measure #1:</u> Change in customer satisfaction based on survey of customers.</p>	<p><b>A1: Improve the quality of DOT&amp;PF facilities.</b></p> <p><u>Target #1:</u> Complete 90% of all work requests on time.</p> <p><u>Measure #1:</u> Percentage of work requests completed on time.</p>
End Results	Strategies to Achieve Results
<p><b>B: Increase DOT&amp;PF efficiency.</b></p> <p><u>Target #1:</u> Decrease facility operating cost by 2%.</p> <p><u>Measure #1:</u> Percent change in facility operating cost.</p>	<p><b>B1: Reduce facility operating costs with new technologies and system upgrades.</b></p> <p><u>Target #1:</u> Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.</p> <p><u>Measure #1:</u> The percentage of annual expenditures specifically for energy saving upgrades.</p> <p><u>Target #2:</u> Increase preventative maintenance on time completion to 90%.</p> <p><u>Measure #2:</u> Percent of preventative maintenance completed on time.</p> <p><b>B2: Carry out safe DOT&amp;PF operations.</b></p> <p><u>Target #1:</u> 10% increase in employees successfully completing required safety training.</p> <p><u>Measure #1:</u> Percent of employees completing required safety training.</p>

### Major Activities to Advance Strategies

- Expand use of Facility Maintenance Management System
- Implement rental fee structure to charge agencies for space occupied
- Conduct safety training and audits - work with Department of Labor and Workforce Development

### FY2006 Resources Allocated to Achieve Results

FY2006 Results Delivery Unit Budget: \$14,902,400	<b>Personnel:</b>	
	Full time	68
	Part time	7
	<b>Total</b>	<b>75</b>

## Performance Measure Detail

### A: Result - Improve customer satisfaction with DOT&PF facilities.

**Target #1:** Increase customer satisfaction with DOT&PF facilities to 80%.

**Measure #1:** Change in customer satisfaction based on survey of customers.

#### Customer Satisfaction

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	n/a	n/a	n/a	n/a	

**Analysis of results and challenges:** The customer satisfaction survey approach will create an interactive basis for managing services provided to the tenant population. From customer responses, management practices can be targeted toward creating a productive and healthy work environment for all State employees, and will also provide an element of quality control for maintenance services. This is a new approach and will require time to develop baseline results on which to base future comparison.

### A1: Strategy - Improve the quality of DOT&PF facilities.

**Target #1:** Complete 90% of all work requests on time.

**Measure #1:** Percentage of work requests completed on time.

#### Percentage of work order requests completed timely

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	not available				

**Analysis of results and challenges:** Tracking completion rates will provide a useable tool for managers to determine how long it takes to complete the work once requested. There is a direct correlation between timeliness of work performed and the quality of our facilities. Timely maintenance prevents premature facility failure and ensures an economic return of our states investment. Subsequently, it also leads to customer satisfaction, our desired end result. This is a new measure and will require time and resources to establish the metrics necessary to track this data.

### B: Result - Increase DOT&PF efficiency.

**Target #1:** Decrease facility operating cost by 2%.

**Measure #1:** Percent change in facility operating cost.

#### Facility Operating Cost (state fiscal year)

Year	YTD
2004	\$4.40 per square foot

**Analysis of results and challenges:** Improvements in facilities maintenance and operating efficiency should produce a decrease in operating costs. The measure is based on the reduction in operating costs, since direct maintenance costs will likely increase slightly before across-the-board savings are realized.

During FY04 the department spent \$9,825,000 in state funds to maintain 2,231,158 square feet of buildings. These buildings include office buildings, maintenance shops, snow removal equipment buildings, and other various state facilities. Costs include utilities, janitorial contracts, sidewalk snow removal, maintenance supplies and other facilities related items.

### B1: Strategy - Reduce facility operating costs with new technologies and system upgrades.

**Target #1:** Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.

**Measure #1:** The percentage of annual expenditures specifically for energy saving upgrades.

#### Expenditures for Energy Saving Upgrades

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	no data available				

**Analysis of results and challenges:** Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and HVAC control, and high efficiency window and door systems all contribute to reducing energy consumption. Due to the fluctuations in energy costs and variations in weather patterns, it would require substantial new resources to accurately track true savings performance. Since there is a recognized correlation, the measure of expenditures for energy upgrades as a performance assessment is valid.

**Target #2:** Increase preventative maintenance on time completion to 90%.

**Measure #2:** Percent of preventative maintenance completed on time.

#### Percent of preventative maintenance completed timely

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	not available				

**Analysis of results and challenges:** Preventative maintenance activities including changing filters, servicing pumps and motors, and performing diagnostics on controllers are becoming more difficult to budget as operating funds are prioritized to cover increasing utility costs, janitorial services, and labor costs. Without additional resources it will always be a challenge to not address the most urgent needs and defer preventative type work items. As operating funds are reduced it will require an extremely disciplined approach to prioritize preventative maintenance over regular repair and contractual obligations.

### B2: Strategy - Carry out safe DOT&PF operations.

**Target #1:** 10% increase in employees successfully completing required safety training.

**Measure #1:** Percent of employees completing required safety training.

#### Percent of employees completing required safety training

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	not available	not available	not available	not available	7.9%
2004	not available	not available	not available	not available	19.4%

**Analysis of results and challenges:** Seeing an increase in accidents and workers compensation claims, the department undertook a review of the safety program in 2002. The result was the production of a new safety manual that includes required safety training elements. The new manual became policy in 2003. Previously, each region, section and safety officer within the department held training events including periodic safety meetings and briefings on new equipment and procedures as needed. Increased funding will be necessary for travel, lodging and additional equipment to comply with the employee specific job training requirements. Required training is expected in other areas, e.g., homeland security drills, etc.

Required safety training, as identified in the safety manual, is being implemented over a 5 year period. Through

additional safety training, we expect a reduction in work related injuries and workers compensation claims.

Emphasis on safety should increase our efficiency. Our employees are our most valued resource. Keeping those employees on the job will ensure we are able to accomplish our mission. Lost time due to injuries or accidents is counterproductive, costly to the state, and impacts our ability to reach our end result of increasing DOT&PF efficiency.

This is a new measure that has required time and resources to identify and document required baseline information. The FY03 and FY04 data relates to employees' participation in department safety meetings. Future data will look at all required safety training.

## Key RDU Challenges

- As the public facilities continue to age, Facilities Maintenance and Operations is confronted with an increasing list of deferred maintenance repairs. Other demands include the burden of new laws and regulations. New facilities are added to our inventory each year with little or no funds appropriated for their operation and maintenance. The Facilities budget has not kept up with these increased demands and is currently inadequate to sustain acceptable levels of preventative maintenance to our public facilities and maintenance stations.
- Capital funding for major repairs, renewal and replacement of obsolete systems in facilities is inadequate to meet current needs and reduce the accumulated maintenance backlog. Our list of deferred maintenance projects is currently at 35.7 million and continues to accumulate.

## Significant Changes in Results to be Delivered in FY2006

Funds are included in this budget request to cover the increased cost of utilities, risk premiums, and facilities added to the inventory. These funds will ensure the current level of service is maintained in DOT&PF facilities.

## Major RDU Accomplishments in 2004

- Restored several Adak facilities after operations transferred to the state in early 2004.
- Closed 3,989 work orders, 814 of which were preventative maintenance.
- Continued implementation of energy saving projects including replacement of overhead doors and heating and ventilation upgrades.
- Continued Direct Digital Control conversions for continued cost savings and occupant comfort.
- Installed new above ground heating fuel storage tanks at maintenance stations in Nome.
- Renovated ADA rest rooms at Kodiak Court facility and at DOT&PF main administrative building in Anchorage.
- Installed new boilers at Anchorage highway shop.
- Replaced domestic water lines at Anchorage Boney Court facility.
- Installed new heat system at Silvertip maintenance station.
- Completed survey and inspection of all Northern Region fuel tanks for upgrade specifications and code compliance.
- Completed transfer of Kotzebue Courthouse to Manillaq Corporation.

Contact Information
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**Statewide Facility Maintenance and Operations  
RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2004 Actuals				FY2005 Management Plan				FY2006 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
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Central Region Facilities	3,305.3	0.0	1,203.0	4,508.3	3,445.1	0.0	1,151.2	4,596.3	3,867.4	0.0	1,283.9	5,151.3
Northern Region Facilities	5,564.8	36.8	3,260.6	8,862.2	5,497.5	172.5	2,807.8	8,477.8	5,642.1	172.5	2,827.9	8,642.5
Southeast Region Facilities	954.9	0.0	99.2	1,054.1	922.4	0.0	119.0	1,041.4	989.6	0.0	119.0	1,108.6
Central Leasing & Property Mgt	0.0	0.0	676.2	676.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North. Leasing & Property Mgt	0.0	0.0	678.9	678.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>9,825.0</b>	<b>36.8</b>	<b>5,917.9</b>	<b>15,779.7</b>	<b>9,865.0</b>	<b>172.5</b>	<b>4,078.0</b>	<b>14,115.5</b>	<b>10,499.1</b>	<b>172.5</b>	<b>4,230.8</b>	<b>14,902.4</b>

**Statewide Facility Maintenance and Operations  
Summary of RDU Budget Changes by Component  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>9,865.0</b>	<b>172.5</b>	<b>4,078.0</b>	<b>14,115.5</b>
<b>Adjustments which will continue current level of service:</b>				
-Central Region Facilities	44.6	0.0	5.9	50.5
-Northern Region Facilities	90.6	0.0	20.1	110.7
-Southeast Region Facilities	7.2	0.0	0.0	7.2
<b>Proposed budget increases:</b>				
-Central Region Facilities	377.7	0.0	126.8	504.5
-Northern Region Facilities	54.0	0.0	0.0	54.0
-Southeast Region Facilities	60.0	0.0	0.0	60.0
<b>FY2006 Governor</b>	<b>10,499.1</b>	<b>172.5</b>	<b>4,230.8</b>	<b>14,902.4</b>