

**State of Alaska**  
**FY2007 Governor's Operating Budget**

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

## Component: Contracting, Procurement and Appeals

### Contribution to Department's Mission

To effectively carry out the Department of Transportation & Public Facilities (DOT&PF) Commissioner's statutory responsibility to procure the planning, design, and construction of public works (including state buildings), and to execute authority delegated by the Commissioner of the Department of Administration for non-construction procurements.

### Core Services

- Oversee departmental and customer agency compliance with federal and state laws, regulations, and policies governing procurements and contract administration.
- Develop, implement, and maintain policies, procedures, and operational standards that assure all transportation modes, regions, engineering services, highway construction and maintenance groups, and those state agencies with a DOT&PF delegation of construction authority, receive responsive and consistent guidance in the administration of procurements and contracts.
- Administer the statewide Construction Contracting Warrant System. This system trains and certifies individuals on construction procurement requirements.
- Assist in the resolution of contract and procurement claims and disputes before they are elevated to the Commissioner's Office as appeals.
- Administer the construction contracts protest and claim appeal adjudication process.
- Develop and implement policies and procedures involving state tribal relations.
- Procure through contract awards or formal contracts statewide and headquarters commodities and professional services needs.
- Act as department liaison regarding the implementation of the procurement pilot project. This pilot is for the procurement of commodities, equipment and services for Headquarters, the Alaska Marine Highway System (AMHS) and Southeast Region.

### FY2007 Resources Allocated to Achieve Results

**FY2007 Component Budget: \$604,200**

**Personnel:**

Full time	5
Part time	0
<b>Total</b>	<b>5</b>

### Key Component Challenges

- 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. Also, we will continue 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 Administrative Order 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.

- We will continue to resolve barriers that prevent the department from establishing multiple award term contracts. Once established, these term contracts will improve project delivery by reducing the delays in acquiring professional services contractors.

### Significant Changes in Results to be Delivered in FY2007

No significant change anticipated.

### Major Component Accomplishments in 2005

- Finalized and enabled the Design Build regulations published as 2 AAC 12.931-12.949. This was a collaborative effort with DOT&PF and the consultant community. Launched the Department's formal Design Build program and established pilot projects in three regions. Prepared a new Department Guidance Manual entitled: Design Build Guidance Manual for Project Development.
- Developed a major revision to the Department's Construction Warrant System. Revised program reduces the number of Warrant levels and simplifies the required training. Created new training curriculum for all required classes in order to deliver all of the training with in-house staff. Warrant Level I training established as a web-based course available on demand from any Internet enabled workstation.

### 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 from the Department of Administration to the DOT&PF Commissioner

Contact Information
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**Contracting, Procurement and Appeals  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	452.3	512.4	546.0
72000 Travel	9.4	17.9	17.9
73000 Services	27.5	30.3	30.3
74000 Commodities	8.7	10.0	10.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>497.9</b>	<b>570.6</b>	<b>604.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	197.2	207.0	219.4
1007 Inter-Agency Receipts	30.5	35.5	35.5
1026 Highways/Equipment Working Capital Fund	38.4	40.8	43.5
1027 International Airport Revenue Fund	39.8	42.3	45.1
1061 Capital Improvement Project Receipts	192.0	245.0	260.7
<b>Funding Totals</b>	<b>497.9</b>	<b>570.6</b>	<b>604.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Interagency Receipts	51015	30.5	35.5	35.5
Capital Improvement Project Receipts	51200	192.0	245.0	260.7
<b>Restricted Total</b>		<b>222.5</b>	<b>280.5</b>	<b>296.2</b>
<b>Total Estimated Revenues</b>		<b>222.5</b>	<b>280.5</b>	<b>296.2</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>207.0</b>	<b>0.0</b>	<b>363.6</b>	<b>570.6</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	3.6	0.0	6.1	9.7
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.4	0.0	0.5	0.9
-FY 07 Retirement Systems Cost Increase	6.6	0.0	11.4	18.0
<b>Proposed budget increases:</b>				
-Risk Management Self-Insurance Funding Increase	1.8	0.0	3.2	5.0
<b>FY2007 Governor</b>	<b>219.4</b>	<b>0.0</b>	<b>384.8</b>	<b>604.2</b>

**Contracting, Procurement and Appeals  
Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	5	5	Annual Salaries	353,133
Part-time	0	0	COLA	9,689
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	188,356
			<i>Less 0.94% Vacancy Factor</i>	<i>(5,178)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>5</b>	<b>Total Personal Services</b>	<b>546,000</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Chief Contracts Officer	0	0	1	0	1
Procurement Spec III	0	0	2	0	2
Procurement Spec V	0	0	1	0	1
Tech Eng II / Architect II	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>