

Alaska State Legislature

Legislative Affairs Agency

Administrative Services

Procurement and Supply Section

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MEMORANDUM

TO: Jessica Geary, Executive Director

FROM: JC Kestel, Procurement Officer

DATE: December 2, 2022

SUBJ: Supply FY24 Budget Increment Request

The Procurement and Supply section needs additional resources to meet current demand, primarily in the areas of contracts, leases, and procurement; therefore, I am requesting to add a full-time contracting officer position.

Factors contributing to the workload increase are the Anchorage Legislative Office Building (ALOB) property management, the acquisition of the Assembly Building, Capitol Complex deferred maintenance, as well as Legislative Budget and Audit Committee procurement support, expanded small procurements support to legislative offices, longer timelines for solicitation and contract drafting, and a limited vendor pool for certain types of procurements and agreements.

LAA assumed property management of the ALOB in June 2021, which resulted in a 250% increase in routine service and professional services contracts management, and four major solicitations. Major solicitations will be ongoing in managing this facility. The Assembly Building operations will be determined by Legislative Council, but even if building management is contracted to a private entity, all service contracts, ongoing procurements for furniture and other equipment, and residential leases will require LAA management. If LAA is tasked with direct property management duties, additional resources will be required in other sections as well.

There are several deferred maintenance projects on the horizon for the Capitol Complex, including the Capitol upper parking deck and fire escapes, courtyard canopies, Terry Miller Building heating and ventilation system, and Legislative Finance Building siding and roof upgrades; all of which will need major solicitation and contract management work.

The Legislative Budget and Audit Committee has had six major solicitations in the last four years for which LAA procurement time and resources were required. While it is difficult to predict the contracting needs of this committee, it is unlikely the need for independent consultants will decline and the Division of Legislative Audit, who provides administrative support to the Committee does not have a procurement officer on staff.

There has been an increase in the last few years for small procurement requests and assistance for offices such as Ombudsman and Legislative Finance. This workload shift to LAA is an efficiency that we want to continue to support and could be added to the duties of this new position.

Major solicitation and contract drafting requires Legislative Legal Services resources. During session and any special sessions, Legal Services priorities can mean longer timelines for this work which can make it difficult to plan and execute solicitations and contracts in a reasonable timeframe. This can result in rushed processes and the need to juggle multiple time-sensitive projects for the procurement officer, the sole employee with the training and experience to do this work.

Finally, competition with big box stores and pandemic-driven supply chain issues have contributed to the decline of small businesses, which has resulted in a very limited vendor pool. There are also limited options for leased office space in smaller Alaska communities for LIO's and district legislator offices. These factors have increased the amount of time and resources necessary to meet procurement procedure requirements to solicit from multiple vendors to ensure the lowest price for materials, office space, and services.

In addition to managing the expanded procurement and contracting duties, adding a contracting officer will lessen the workload of the administrative assistant position to provide more support to the Capitol Supply Room, which has had recruitment challenges for lower range positions, similar to other LAA sections and areas of the work force.