

**ALASKA STATE LEGISLATURE  
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 23, 2023

1:02 p.m.

**MEMBERS PRESENT**

Representative Kevin McCabe, Chair  
Representative Sarah Vance, Vice Chair  
Representative Tom McKay  
Representative Craig Johnson  
Representative Louise Stutes  
Representative Genevieve Mina

**MEMBERS ABSENT**

Representative Jesse Sumner

**COMMITTEE CALENDAR**

PRESENTATION(S): ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES - FACILITIES

- HEARD

PRESENTATION(S): ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES - STATEWIDE EQUIPMENT FLEET

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

CHRISTOPHER HODGIN, PE  
Division of Facilities Services  
Department of Transportation and Public Facilities  
Anchorage, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation on the Division of Facilities Services.

JASON SAKALASKAS, Director  
Division of Facilities Services  
Department of Transportation and Public Facilities  
Fairbanks, Alaska

**POSITION STATEMENT:** Answered questions during the presentation on the Division of Facilities Services.

BRAD BYLSMA, Equipment Fleet Manager  
State Equipment Fleet  
Department of Transportation and Public Facilities  
Anchorage, Alaska

**POSITION STATEMENT:** Provided a PowerPoint presentation on State Equipment Fleet.

**ACTION NARRATIVE**

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**CHAIR KEVIN MCCABE** called the House Transportation Standing Committee meeting to order at 1:02 p.m. Representatives McKay, C. Johnson, Stutes, and McCabe were present at the call to order. Representatives Mina and Vance arrived as the meeting was in progress.

**PRESENTATION(S): Alaska Department of Transportation and Public Facilities - Facilities**

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CHAIR MCCABE announced that the first order of business would be a presentation by the Department of Transportation and Public Facilities on state facilities.

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CHRISTOPHER HODGIN, PE, Division of Facilities Services (DFS), Department of Transportation and Public Facilities (DOT&PF), provided a PowerPoint presentation on the Division of Facilities Services [hard copy included in the committee packet]. He stated that DFS's mission is to deliver, improve, and maintain safe and reliable facilities across Alaska, as seen on slide 2, and he noted the facilities initiative, as seen on slide 3. He moved to slide 4, which showed the main operational hubs in Fairbanks, Anchorage, and Juneau. He described the staff located in these hubs, as well as maintenance staff located in more remote areas in the state. He discussed the DFS's functional areas and the two budget components, as seen on slide 5. He stated that the main budget components are leasing and facilities services. Under the facilities services component is Statewide Public Facilities, as seen on slide 6. Included in this would be architects, civil and mechanical engineers,

project manager professionals, energy professionals, contracting professionals, and the construction contracting officer.

MR. HODGIN moved to slide 7 and slide 8 and discussed the projects under Statewide Public Facilities. He stated that these include both federal and state funded programs that are related to facility design and construction. He gave some examples and pointed out the governing statutes at the bottom of the slide. He discussed project delivery, which range from small scale projects to multi-year projects. He noted that the best practices for project management are used with multiple project delivery methods. He moved to the next slide and discussed energy saving performance contracting, which allows a project to be financed and repaid over time with a result in savings. He noted that these projects have resulted in about 75 buildings with an annual savings of over \$4.2 million.

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MR. HODGIN, in response to a committee question, stated that DFS has done all types of energy efficiency projects, such as lighting upgrades, heating system upgrades, and renewable energy upgrades. He stated that the viability and longevity of the upgrades are considered when implementing these projects.

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MR. HODGIN moved to slide 10 and 11, addressing the DFS functional area of maintenance and operations. He stated that the maintenance professionals cover all building trades, providing preventative and routine maintenance, and they identify deferred maintenance needs. He discussed the statewide programmatic approach for delivering facilities maintenance and assessing facility needs. He noted that the maintenance professionals do not only serve DOT&PF facilities, but they also serve other state departments. This is done through service level agreements. He pointed out some of the current focuses of the maintenance and operations team.

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MR. HODGIN, in response to a committee question, stated that the criteria for a service level agreement with another department would concern the geographic location of the building and the budget. He added that if the other department has any expertise in maintaining the building DFS would not perform this service. If they do not, this would justify DOT&PF providing these

services. He stated that the volume of the work needed would also be considered.

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JASON SAKALASKAS, Director, Division of Facilities Services, Department of Transportation and Public Facilities, expressed the opinion that Mr. Hodgin's response was correct.

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MR. HODGIN, on slide 12, stated that the last two functional areas of DFS is the administration and leasing components. He stated that the administrative team provides business support tasks. He stated that the leasing team is comprised of contracting officers, serving all the executive branch departments. He continued to slide 13, which further addressed the leasing team's tasks.

MR. HODGIN moved to slide 14 titled, "Computerized Maintenance Management System (CMMS)." He stated that CMMS is a tool for managing facilities, work orders, assets in the facilities, lease spaces, and capital improvements within the facilities. He stated that this is all done with an Enterprise Software platform. He discussed the available modules in the software used to manage work orders.

MR. HODGIN pointed out the high-level overview summary of the different budget components, as seen on the chart on slide 15. This includes the facilities services budget component and the leases budget component.

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MR. HODGIN, in response to a committee question concerning the pass-through leasing, stated that the entity would provide the money to DFS as the authority, and DFS would lease the building.

MR. HODGIN moved to slide 16, which addressed DFS's budget authority, with the chart breaking this down into the various funding sources. He pointed each of the sources out. He moved to slide 17, titled "Challenges." He expressed the understanding that other divisions are also having these challenges, such as recruitment and retention, deferred maintenance backlog, rural area construction, utility costs, and the volatility of the construction economy.

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MR. HODGIN went on to slide 18 and showed a graph which illustrated the deferred maintenance backlog.

MR. HODGIN, in response to a committee request for some examples of deferred maintenance, stated that roofing, siding, and windows need renewing, while boilers and heating systems need replacing. In response to a follow-up question, he stated that there is a priority system. He explained that DFS works with the Office of Management and Budget (OMB) and other state partners on a facilities council. He stated that this council has representatives from each executive branch department that own facilities. He explained that there is a methodology to prioritizing deferred maintenance, and this is done by creating project index values to rank the projects. To do this, a mission alignment index is used to determine the importance of the department's facility in meeting its mission. He added that there are also factors concerning the system and the need. He further described the process. In response, he estimated that the facilities council meets quarterly. He reiterated that the council is made up of representatives from the user groups who own facilities.

MR. HODGIN, in response to a committee question concerning the bar chart on slide 18, stated that the bar on the far-left side of the chart represents DOT&PF buildings, such as airport buildings and equipment buildings. He stated that the bar labeled "DOT&PF PBF" represents state office buildings. He gave examples of these buildings.

MR. HODGIN moved to slide 19, titled "Relationships and Goals." He discussed the relationship built through the council and OMB. He discussed the goals of improving systems and expanding successful maintenance practices.

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MR. HODGIN, in response to a committee question concerning permanently stationed staff, gave a few examples of managers that have offices at the facilities they manage.

MR. SAKALASKAS answered that DOT&PF does have personnel stations throughout Alaska, but this varies in regard to whether staff is assigned to a particular building, or whether they are assigned to a hub location with different buildings. He added that this varies throughout the state.

MR. HODGIN, in response to a committee question, stated that the OMB divestment initiative was from a few years ago, and it concerned divesting facilities with no use. He stated that this had involved other departments as well. A report was submitted to OMB, and this included a "hand full" of facilities. In response to a request for more information about the divestment of a building that house snow-removal equipment, he stated that he would report back to the committee on this.

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The committee took an at-ease from 1:33 p.m. to 1:34 p.m.

**PRESENTATION(S): Alaska Department of Transportation and Public Facilities - Statewide Equipment Fleet**

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CHAIR MCCABE announced that the final order of business would be a presentation on the State Equipment Fleet for the Department of Transportation and Public Facilities.

BRAD BYLSMA, Equipment Fleet Manager, Department of Transportation and Public Facilities (DOT&PF), provided a PowerPoint presentation on the State Equipment Fleet (SEF) for DOT&PF [hard copy included in the committee packet]. He began on slide 2 which addressed SEF's operations. He pointed out that this is a shared service for all departments within the state. He stated that most of the 158 positions in the division are mechanics and technicians, with 54 shops located across the state. He added that there are 32 support staff positions, which include contractors, parts, administration, technical support, and managers. He stated that SEF covers all facets of equipment and vehicle management, including purchase and disposal, maintenance, fuel card management, and a backup labor resource pool for the different divisions of DOT&PF. He gave a list of additional support duties the resource pool provides, including snow removal and firefighting.

MR. BYLSMA moved to slide 3 and showed SEF's mission, which is to provide all state agencies with safe, economical vehicles and equipment needed to accomplish the agencies' missions. Also shown on the slide is a breakdown of the vehicles and equipment provided to departments across the state. He pointed out that DOT&PF has the largest number of the fleet assets. He noted that SEF does not manage snow machines, all-terrain vehicles, planes, or boats, as the individual departments will manage

these if they have the need. He moved to slide 4 and pointed out that SEF manages the Highway Equipment Working Capital Fund. He stated that this fund is used to maintain and replace fleet vehicles. He added that this fund would not receive direct appropriations from the general fund, as the fees would be paid by the state agencies. He added that this rate system is designed to break even.

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MR. BYLSMA, in response to a committee question, stated that because the allocation is per vehicle, there would be a good idea of the total cost of each vehicle. He stated that there is a specific system to track maintenance costs, depreciation, and capital costs. In response to a follow-up question, he stated that the large snow blowers are usually the most expensive to maintain, but this could vary. He stated that the Alaska State Trooper pursuit vehicles are run "very hard," as this is part of their mission. He reiterated that SEF is a shared service, and all executive branch departments would have fleet vehicles, with SEF providing the maintenance. In response to a follow-up question, he stated that the repair service works very much like a private-industry car service.

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MR. BYLSMA moved to slide 5 and reviewed SEF's budget over the last four fiscal years. He noted that the incremental increases on the operating side are because of the increase in personnel cost and the collective bargaining agreements. On the right-hand side of the slide, he noted the increase in the cost for equipment. He pointed out the 50 percent increase for three-quarter ton crew cab trucks, which are a large part of the fleet.

MR. BYLSMA, in response to a committee question, stated that equipment, such as three-quarter ton crew cab trucks, is purchased through local vendors. He said that some major manufacturers offer government discounts, but this discount has been reduced because of supply-chain issues. He moved to slide 6 and discussed the cost of replacing equipment and the current backlog.

MR. BYLSMA, in response to a committee question, stated that SEF sets the equipment replacement rates annually, and as costs go up the rates increase. He noted that the chart shows SEF has not had enough legislative authority to spend the money it has

collected to replace equipment. He added that recently this authority has increased; therefore, SEF has been allowed to address this issue.

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MR. BYLSMA continued to slide 7 and broke down the operating budget. He stated that half of the budget is dedicated to personnel costs, with another large part going to repair commodities, such as tires, oil, and fuel. He stated that the fuel is covered with the fuel cards SEF issues. He discussed the fuel cards in further detail.

MR. BYLSMA, in response to a committee question, stated that SEF's fuel card program allows anyone driving a state vehicle to go to a commercial filling station, as this creates more flexibility than going to a state fueling station. He noted the DOT&PF does have bulk fuel facilities for its own equipment, and this is separate from the budget seen on the slide.

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MR. BYLSMA moved to slide 8 titled "SEF Challenges New & Old," which include historic workforce vacancy rates, supply chain shortages, cold-weather emissions and electronics issues, and maintaining aging facilities.

MR. BYLSMA, in response to a committee question, expressed uncertainty why there needs to be emissions requirements when there are no air quality issues in most of the state. He noted that this is a federal mandate. In response to a follow-up question, he stated the military and emergency vehicles have some limited exemptions concerning the mandate.

MR. BYLSMA, in response to a committee question, stated that cold-weather emissions and electronics issues are common problems in other northern states. He added that the cold-weather problem is not specific to government equipment. He pointed out that part of the challenge with the components in newer vehicles is that they are difficult to repair. He added that SEF does communicate with other states on the cold weather issues. He remarked that there are many positive aspects to newer equipment, as it runs more efficiently and safely.

MR. BYLSMA, in response to a committee question, stated that the vacancies in the division are because of retirement, but also, they are because many people leave for other reasons.

MR. BYLSMA continued to slide 9 and discussed the strategies to address the challenges. Concerning the personnel vacancies, he said, SEF is shifting toward a hub-staffing model, so staff is not always "on the ground" in all locations. To address this SEF has also created more flexibility in work schedules. Concerning the supply chain challenges, he said, damaged equipment is now retained to be used for spare parts, as this value exceeds the disposal value. He added that now the parts staff searches for parts worldwide. He noted that to address the issues with emissions and electronics, SEF is now rebuilding older equipment that does not have the same emission systems and standards. He added that SEF provides its own warranty services for most major manufacturers of heavy equipment, as this saves time.

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MR. BYLSMA, in response to a committee question, stated that for the warranty services, SEF's mechanics do have to be trained for this. He added that the facility also has to meet requirements. There is also a process for submitting the warranty claim for reimbursements. In response, he stated that if there was some sort of program to offer this to students, this would be welcome; however, the required training would still need to be completed before the individual could do the warranty work.

MR. BYLSMA, in response to a committee comment on his ingenuity, stated that many of the 125 mechanics in the division are career mechanics, and it is in their nature to solve problems.

MR. BYLSMA, in response to a committee question, stated that SEF does warehouse its parts, as there are larger warehouses in the hub locations managed by parts staff; however, many parts are bought on demand because of the variety of vehicles, and it would be impossible to stock everything. In response to a follow-up question, he stated that SEF has looked at the standardization of vehicles; however, there is a large gap in the age of much of the heavy equipment, and this is difficult to standardize. In follow up, he expressed agreement that standardizing some of the fleet would allow for more negotiation power.

CHAIR MCCABE gave closing comments.

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## **ADJOURNMENT**

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:19 p.m.