

**LETTER OF GRIEVANCE RESOLUTION**  
**between the**  
**STATE OF ALASKA**  
**and the**  
**ALASKA STATE EMPLOYEES ASSOCIATION**  
**representing the**  
**GENERAL GOVERNMENT UNIT**

**DOT&PF Design Group, Article 13 Contracting Out**

**17-G-128**

It is agreed between the parties that the following constitutes the full and final settlement of the above referenced grievance filed on behalf of Thomas Benjamin, William Kulash, Thomas Hughes, Alan Skinner, and all similarly situated Department of Transportation and Public Facilities Design GGU bargaining unit members. No provision of the July 1, 2016 through June 30, 2019 master agreement not specifically referenced herein is modified by this agreement.

1. Of the 76 DOT positions that were removed from the FY18 budget proposal, 62 are currently vacant, 10 are college interns and four have announced their intention to retire or otherwise leave state employment this fiscal year. Due to budget cuts and associated workload, the Department does not intend to backfill any of these positions. Based on staffing levels without regard to these 76 positions, the Department has the resources necessary to complete anticipated projects as historically managed, without shifting additional engineering work to outside contractors. The state will submit an amendment to the budget to revise any language referencing FY 2018 and FY 2019 outsourcing to reflect the process involving a feasibility study required by our bargaining agreement.
2. To assure that the contractor will be a neutral 3rd party:
  - a. The contractor shall not be an immediate family member of, share any financial interest with, or otherwise stand to gain or benefit from a member of the Governor's office or anyone in the Commissioner's Office within the Department of Transportation or other State Department. "Immediate family member," "financial interest," "gain," and "benefit" have the meanings set forth in AS 39.52.960.
  - b. Upon receiving statements of interest from the 3rd parties and prior to final selection, - ASEA Executive Director Jim Duncan and one person in AFSCME International identified by Executive Director Duncan will be provided a list of the vendors to review and can submit comments on such vendors to the State for their consideration in selecting the 3rd party who will conduct the study. This statement doesn't prohibit consultation on the list with appropriate staff members in ASEA or AFSCME International provided that ASEA Executive Director Jim Duncan and the identified AFSCME International representative sign and submit State-provided non-disclosure agreements on behalf of their respective organizations prior to the vendor list being provided and staff members reviewing the list must sign individual non-disclosure agreements.
  - c. Once the RFP is written, the State will hold a pre-proposal conference for interested parties to comment on the RFP.

3. The 3rd party selected for the study will engage with the Union during the study--seeking the Union's input, thoughts, and suggestions on the underlying facts and impact of the proposed changes and/or suggested improvements important in making the final decision regarding the overall feasibility of outsourcing the DOT design functions.

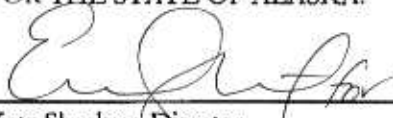
The Union can provide for the contractor's consideration studies of privatization of these types of functions that have been conducted in other States and the results of any privatization of these functions in other States.

The DOT will receive a copy of the union's information provided to the 3<sup>rd</sup> party evaluator.

4. The final study will clearly identify and compare the cost and quality of providing the services by the State and the cost and quality of providing comparable costs in the private sector and any other information required in the RFP.
5. The cost comparisons will not be done for just the first year but include a projection for the costs for up to three years.
6. Currently approximately 55% of the DOT design function is outsourced to private consultants. To the extent possible, and allowed under law, the study will identify and report the percentage of the current outsourcing dollars that flow outside the State of Alaska. In addition to any possible dollar estimate the report will identify the current top 5 contractors used by DOT for outsourcing design and list their office locations inside Alaska and worldwide and the number design employees in each office in Alaska and worldwide.

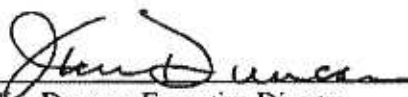
This agreement is entered into solely to address the unique circumstances of this particular situation and does not establish practice or precedent between the parties. The parties agree that the resolution will not be referred to in any other grievance, arbitration, hearing, complaint, dispute or any other forum, except as may be necessary for the execution of its terms.

FOR THE STATE OF ALASKA:

  
\_\_\_\_\_  
Kate Sheehan, Director  
Division of Personnel & Labor Relations  
Department of Administration

1/27/17  
Date

FOR ASEA:

  
\_\_\_\_\_  
Jim Duncan, Executive Director  
Alaska State Employees Association  
AFSCME Local 52

1/27/17  
Date