

Introduced by: Knopp, Mayor
Date: 12/07/10
Action: Adopted
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2010-097**

**A RESOLUTION SUPPORTING STATE LEGISLATION THAT WOULD AMEND THE
ALASKA LITTLE DAVIS BACON ACT TO INCREASE THE MINIMUM AMOUNT OF
CONTRACTS SUBJECT TO THE ACT FROM \$2,000 TO \$50,000 AND TO DEFINE
MAINTENANCE PROJECTS, WHICH ARE NOT SUBJECT TO THE ACT**

WHEREAS, the Alaska Little-Davis Bacon Act (ALDBA), codified at Alaska Statutes 36.05.010 - .900, requires contractors and subcontractors that work on public construction contracts totaling more than \$2,000 to pay the prevailing wage rates and fringe benefits for similar work and to comply with significant paperwork and reporting requirements; and

WHEREAS, the ALDBA was originally enacted at least 38 years ago, and the Territory of Alaska was subject to a similar provision dating back to 1931; and

WHEREAS, establishing this minimum \$2,000 threshold for application of the ALDBA envisions a point where the small size of a project does not justify the reporting and other paperwork costs associated with compliance; and

WHEREAS, in most rural Alaskan communities no public construction project costs less than \$2,000 due to mobilization costs, which means fewer public construction projects are bid out as this higher cost of complying with the ALDBA leaves less public funds available for other projects; and

WHEREAS, increasing the floor for application of the ALDBA to \$50,000 would be consistent with the original reason for placing a floor on the application of this act, which was to allow smaller public construction projects to proceed without the additional costs and burden of the extensive paperwork and reporting requirements associated with complying with the ALDBA; and

WHEREAS, the public interest would best be served by increasing the floor of the LDBA to \$50,000 as it would enable small and large communities local governments to complete small construction projects at a lower cost rather than postponing them indefinitely until they are able to obtain sufficient funds to comply with the ALDBA requirements; and

WHEREAS, while the ALDBA applies to public construction contracts it does not govern contracts for public maintenance, and the act does not define public maintenance or clarify what projects are considered maintenance rather than construction; and

WHEREAS, amending the ALDBA to clearly define public maintenance as distinguished from public construction would help to minimize conflicts and confusion regarding the application of the ALDBA, decreasing costs incurred by all involved parties and agencies; and

WHEREAS, during its meeting of November 19, 2011, the Alaska Municipal League adopted AML Resolution 2011-018, requesting the state legislature increase the ALDBA floor to \$50,000 and to define public maintenance in contrast with the definition of public construction in this ALDBA; and

WHEREAS, adoption of these proposed amendments would be consistent with the experiences of most other states, as 18 states have repealed their state Little Davis Bacon Acts and most of the remaining states have modified their Little Davis Bacon Acts to increase the floor or clarify the definitions of construction versus maintenance;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The Kenai Peninsula Borough Assembly strongly urges the state legislature to amend AS 36.05.070 to increase the minimum threshold for application of the Little-Davis Bacon Act from \$2,000 to a minimum of \$50,000 per project and to define public maintenance as distinguished from public construction.

SECTION 2. That copies of this resolution shall be provided to the Borough's Legislative Delegation including Senators Con Bunde, Al Kookesh, Thomas Wagoner, Gary Stevens, Senator-Elect Catherine Giessel and Representatives Woodie Salmon, Mike Hawker, Kurt Olson, Mike Chenault, Paul Seaton, and Representative-Elect Alan Dick.

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF DECEMBER, 2010.



Gary Knopp, Assembly President

ATTEST:


John Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp
No: None
Absent: Pierce