



Alaska State Legislature

Please enter into the record my testimony to the HOUSE LABOR & COMMERCE
Committee name
Committee on HB155 RELATING TO
PUBLIC CONSTRUCTION CONTRACTS, dated 2/28/11
Bill/Subject

I am the Public Works Director for the City of Wasilla and I have managed these types of contracts on a daily basis for the last 10 years. The City of Wasilla is in strong support of HB155 that will raise the threshold above \$2,000 for public construction contracts having mandatory wage scales. Virtually all of our construction contracts exceed the current limit of \$2,000 and therefore the current limit is essentially zero. When accounting for the time spent by City staff reporting to the Department of Labor, the time spent by contractors reporting to both the City and Department of Labor, time spent by accountants preparing Certified Payrolls for the contractor, and the time spent by the Department of Labor administering the program, a \$2,000 project now costs \$4,000 to \$5,000. Is this really the best use of tax payer dollars at the local level? This is too much government bureaucracy and the local tax payer wonders where their money is going.

As you have heard from testimony, this is going to cause unsafe conditions and there will be contractors coming to Alaska to under cut Alaskan Jobs. Is a contractor really going to come to Alaska for a \$3,000 public contract? Probably not. There is an entire profession of project managers and contract managers on these public contracts to ensure quality control. In fact, we build into the bidding process reference and qualification provisions when bidding and we can throw out the low bid if we deem they are not qualified. The Mat-Su Regional Hospital was constructed without public money and it was successfully constructed without these so called safeguards, and it is the largest and most critical public facility in the Mat-Su Borough. Every home we live in is constructed without the State overseeing wage rates, yet we still feel safe in our homes.

Construction jobs are some of the best paying jobs in the country especially in Alaska, and market forces keep the wages high. Do we really need government bureaucracy overseeing market forces? Probably not. This actually hurts local hire of small contractors who do not want to be burdened with a huge amount of red tape reporting and certifying wages paid, while they have lived and worked in the community their entire lives.

Using a Standard CPI Multiplier, \$2,000 in 1935 dollars = \$31,085 in 2009 dollars. The City has no desire to see huge reductions in wage scales and "the sky is falling" will likely not happen by raising the threshold above \$2,000 for public contracts to have mandatory wage scales. Please reduce the burden to local government and local contractors by making HB155 law.

Signed: _____


Testifier

ARCHIE GIDDINGS, CITY OF WASILLA

Representing (Optional)

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