



Governor Mike Dunleavy
STATE OF ALASKA

March 30, 2021

The Honorable Louise Stutes
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Stutes:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill amending the state procurement code to authorize construction manager general contractor (CM/GC) procurement contracts.

The Department of Transportation and Public Facilities (DOT&PF) has been using the CM/GC contracting methodology under the State's existing innovative procurement statute AS 36.30.308 over the past 15 years. CM/GC allows a contractor to be awarded a two-phase contract to provide both the preconstruction and construction phases of a project. Since this style of procurement does not fit the State's existing statutory procurement framework, each two-phase contract has had to follow the innovative procurement guidelines in statute. Under that methodology, DOT&PF must submit an "innovative procurement" request to the Department of Law for each CM/GC contract it solicits, even though each procurement follows a similar process. CM/GC is included in Federal Highway Administrative regulations, other states' regulations, and is a common and accepted practice in the construction industry.

This bill modernizes Alaska's procurement code to include the CM/GC methodology. This will improve and clarify our procurement process, help avoid unnecessary administrative delays, and allow the department to more quickly improve Alaska's roads, highways, and other critical infrastructure.

I urge your prompt attention to this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy
Governor

Enclosure