



ALASKA STATE LEGISLATURE

HOUSE LABOR & COMMERCE COMMITTEE

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MEMORANDUM

TO: Senator Kevin Meyer, Chair
 Legislative Budget & Audit Committee

FROM: Rep. Kurt Olson *KEO*

DATE: October 29, 2009

RE: Audit request regarding Marine Highway Procurement

I respectfully request for the Division of Legislative Audit to be directed to conduct an audit on the procurement practices of the Department of Transportation and Public Facilities, Alaska Marine Highway System (AMHS) regarding vessel maintenance and repair.

The audit should examine contracts issued since January 1, 2004 to determine if AMHS has

- Complied with the state procurement codes and with applicable regulations
- Correctly applied the interport differentials – where applicable
- Complied with any applicable federal regulations in contracting for vessel maintenance and repair

The auditors should evaluate the current statutes and regulations to determine if their application results in a fair and unbiased awarding of contracts. The auditors should make recommendations for changes where necessary.

I also encourage the Division of Legislative Audit to pursue other procurement issues that may come to their attention during the course of the audit.