

FISCAL NOTE

STATE OF ALASKA
2021 LEGISLATIVE SESSION

Bill Version LL 0579
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) LL0579-DOT-COM-3-18-21 Dept. Affected Transportation & Public Facilities
Title Procurement; Construction Contract Reforms Appropriation Administration & Support
Allocation Commissioner's Office
Sponsor Rules By Request of the Governor
Requester Governor OMB Component Number 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY2022 Appropriation Requested	Included in Governor's FY202 Request	Out-Year Cost Estimates				
			FY2023	FY2024	FY2025	FY2026	FY2027
OPERATING EXPENDITURES	FY2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Fed Rcpts (Fed)						
1003	GF/Match (UGF)						
1004	Gen Fund (UGF)						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1037	GF/MH (UGF)						
		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES		FY2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
1004	Gen Fund (UGF)							
1002	Fed Rcpts (Fed)							
TOTAL CHANGE IN REVENUES		0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) operating costs 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) costs 0.0 (separate capital appropriation required)

Does the bill create or modify a fund or account? No
(Supplemental/Capital/New Fund- discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS
Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

Why this fiscal note differs from previous version/comments (if initial version, please note as such)

Not applicable; initial version.

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Date/Time 3/18/21 4:00 PM
Date 3/18/2021

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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BILL NO. LL 0579

Analysis

This legislative proposal amends AS 36.30, the state procurement code, authorizing the use of the Construction Manager General Contractor (CMGC) contracting method by the department. The CMGC contracting method provides for a two-phase contract awarded to a contractor to provide construction related services during both the preconstruction and construction phases of a project. Although, this procurement method is not provided for under competitive sealed bidding/competitive sealed proposals (AS 36.30.100-270), the department has used this contracting method under the Innovative Procurements method (AS 36.30.308) for 20 facilities and highway projects over the past 15 years. Once this method is adopted by statute, the department, with input from the Associated General Contractors of Alaska, can adopt regulations, policy, and guidance materials that further refines and standardizes this innovative contracting method for application in Alaska.

The department's experience is that the CMGC contracting method produces decreased contractor change orders and quicker project completion and, therefore, will result in an unknown savings in staff time and leveraging of departmental resources.