

An Act relating to the public facility procurement policy of the state and of political subdivisions of the state; and providing for an effective date.

COMMITTEE REPORT

Rules

4/13/79

HOUSE

Mr. Speaker:

Date 4/17/79

The Committee on FINANCE has had HB 120

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR HB 479 ^(same title) AND THAT

~~CS~~ CS FOR HB 479 DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends: none
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

H. Melo Chairman

Original sponsor: Bowman, Kelley,
McKinnon, et al

Offered: 4/23/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 429 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL,

6 For an Act entitled: "An Act relating to the public facility procurement
7 policy of the state; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 35.10 is amended by adding new sections to read:

11 ARTICLE 5. PUBLIC FACILITY PROCUREMENT POLICY.

12 Sec. 35.10.160. FINDINGS AND PURPOSE. The legislature finds that
13 since the needs of the state for physical facilities of all kinds are
14 diverse, and since the state is providing an increased portion of funding
15 for the planning, design, and maintenance and operation of facilities
16 procured by local political subdivisions, the planning, design and con-
17 struction of public facilities should be executed in accordance with
18 facility procurement policies development by the Department of Public
19 Works and reviewed annually by the legislature.

20 Sec. 35.10.170. DUTIES OF DEPARTMENT. In addition to other duties
21 prescribed by statute, the department shall

22 (1) develop facility procurement policies for the planning,
23 design, construction, maintenance and operation of public facilities
24 which are funded in whole or in part by the state;

25 (2) develop and maintain an inventory of physical facilities
26 currently owned or occupied by the state;

27 (3) make projections of future public facility needs of the
28 state, analyze facilities needed, and establish methodology for program
29 planning and facilities project planning, design and construction;

1 (4) engage in experimental projects as necessary relating to
2 any available or future method of facility procurement, design or con-
3 struction and any method of improving existing design, planning and
4 construction techniques;

5 (5) develop life cycle costs of public facilities of the state
6 and those public facilities of political subdivisions of the state which
7 are funded in whole or in part by the state;

8 (6) develop life cycle costing methodologies for the follow-
9 ing special purposes:

10 (A) budget forecasting to support facility program
11 planning and analysis,

12 (B) systematic cost estimating to forecast planning,
13 design and construction,

14 (C) budget forecasting to support development of annual
15 maintenance and operating strategies and life cycle cost plans,

16 (D) alternative methods of space acquisition and space
17 equalization which will maximize the effectiveness of public funds;

18 (7) apply for and accept, on behalf of the state, grants from
19 the federal government or an agency of it or from another state founda-
20 tion, corporation, association or individual for any of the functions
21 or purposes of the department and may expend any of the money received
22 under this section for any of the functions or purposes.

23 Sec. 35.10.180. PHYSICAL FACILITY PROCUREMENT AND PLANNING POLICIES.

24 (a) The department shall develop and keep current by periodic revision
25 physical facility procurement and planning policies for rural schools,
26 public buildings, and other state facilities, and shall develop regula-
27 tions and guidelines for the implementation of these policies.

28 (b) In developing and revising these policies the department shall
29 seek public review and evaluation by any reasonable means and shall

1 (1) consult and cooperate with officials of the federal
2 government, local governments, other political subdivisions of the state
3 and other interested persons regarding physical facility procurement
4 planning;

5 (2) request and receive from an agency or other unit of the
6 state government or from a political subdivision of the state the assis-
7 tance and data needed to carry out the requirements of this section.

8 (c) The commissioner shall submit copies of proposed policies and
9 plans annually, within 10 days after the legislature convenes, to the
10 legislature. The legislature may approve, reject or modify the policies
11 and plans by concurrent resolution. If the legislature fails to act
12 during the legislative session, the policies and plans are approved.

13 Sec. 35.10.190. COORDINATION BY DEPARTMENT. (a) The department
14 shall coordinate the procurement of physical facilities for the state
15 and the procurement of physical facilities by political subdivisions
16 of the state to insure the greatest cost savings of planning, design and
17 contractual techniques.

18 (b) When the state or a political subdivision of the state deter-
19 mines that a public facility funded in whole or in part by the state
20 is to be constructed or renovated, it shall, unless exempted by
21 regulations of the department, submit to the department an application
22 for a certificate that the proposed facility complies with adopted
23 facility procurement policies. The department may reject the
24 application but if it does so it shall state in writing the reasons
25 for the rejection. If a written statement that the application is
26 rejected does not issue within 30 days after receipt of the applica-
27 tion by the department, unless the department and the applicant
28 have agreed upon an extension of time for consideration, the certificate
29 of compliance shall not be required. Except as provided otherwise

1 by regulation or by this section no public facility funded in whole or
2 in part by the state may be constructed or renovated by the state
3 or a political subdivision of the state unless a certificate that
4 the facility complies with adopted facility procurement has been
5 issued.

6 Sec. 35.10.200. DEFINITIONS. In secs. 160 - 200 of this chapter,

7 (1) "life cycle costs" means analytic techniques which pro-
8 vide data to describe the first cost of procurement of public facilities
9 and the maintenance cost, operation cost and occupancy cost of the
10 facilities;

11 (2) "policies" includes but is not limited to budget ac-
12 counting and cost planning techniques, facility design techniques, and
13 contractual techniques for the procurement of labor, materials and
14 contractual services;

15 (3) "political subdivisions of the state" includes home rule
16 and general law municipalities of any class;

17 (4) "public facilities" does not include highways or vessels
18 of the marine highway system.

19 * Sec. 2. There is within the Department of Public Works a public facil-
20 ity procurement planning fund. The fund is a working capital reserve fund
21 and consists of money appropriated by the legislature for the purpose of
22 providing procurement planning working capital and is available on a reim-
23 bursable basis for procurement planning. The fund shall be used by the
24 commissioner to develop facility procurement planning methodologies for
25 submission for review by the legislature by January 1, 1976. The commissioner
26 shall prepare a report delineating the various procurement policies which
27 shall govern the expenditures of capital funds by the state and shall de-
28 lineate the amounts of preplanning funds necessary for the implementation of
29 these policies.

1 * Sec. 3. AS 35.05.040 is amended by adding a new paragraph to read:
2 (10) procure directly materials, labor and contractual ser-
3 vices for planning, designing and constructing public facilities of the
4 state.

5 * Sec. 4. AS 29.13.100 is amended by adding a new paragraph to read:
6 (36) AS 35.10.160 - 35.10.200 (public facility procurement
7 policies)

8 * Sec. 5. AS 35.10.200(4) is amended to read:
9 (4) "public facilities" does not include highways or vessels
10 of the marine highway system or the facilities for which responsibility
11 is charged to the Department of Transportation under AS 44.42.

12 * Sec. 6. Section 5 of this Act takes effect on the effective date of
13 a version of House Bill No. 63.

14 * Sec. 7. Sections 1 - 4 of this Act take effect immediately in accor-
15 dance with AS 01.10.070(c).

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Original sponsor: Bowman, Kelley,
McKinnon, et al

Offered: 4/23/75
Referred: Rules

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18 facility procurement policies development by the Department of Public
19 Works and reviewed annually by the legislature.

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21 prescribed by statute, the department shall

22 (1) develop facility procurement policies for the planning,
23 design, construction, maintenance and operation of public facilities
24 which are funded in whole or in part by the state;

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26 currently owned or occupied by the state;

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12 (B) systematic cost estimating to forecast planning,
13 design and construction,

14 (C) budget forecasting to support development of annual
15 maintenance and operating strategies and life cycle cost plans,

16 (D) alternative methods of space acquisition and space
17 equalization which will maximize the effectiveness of public funds;

18 (7) apply for and accept, on behalf of the state, grants from
19 the federal government or an agency of it or from another state founda-
20 tion, corporation, association or individual for any of the functions
21 or purposes of the department and may expend any of the money received
22 under this section for any of the functions or purposes.

23 Sec. 35.10.180. PHYSICAL FACILITY PROCUREMENT AND PLANNING POLICIES.

24 (a) The department shall develop and keep current by periodic revision
25 physical facility procurement and planning policies for rural schools,
26 public buildings, and other state facilities, and shall develop regula-
27 tions and guidelines for the implementation of these policies.

28 (b) In developing and revising these policies the department shall
29 seek public review and evaluation by any reasonable means and shall

1 (1) consult and cooperate with officials of the federal
2 government, local governments, other political subdivisions of the state
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6 state government or from a political subdivision of the state the assis-
7 tance and data needed to carry out the requirements of this section.

8 (c) The commissioner shall submit copies of proposed policies and
9 plans annually, within 10 days after the legislature convenes, to the
10 legislature. The legislature may approve, reject or modify the policies
11 and plans by concurrent resolution. If the legislature fails to act
12 during the legislative session, the policies and plans are approved.

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16 of the state to insure the greatest cost savings of planning, design and
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18 (b) When the state or a political subdivision of the state deter-
19 mines that a public facility is to be constructed or renovated, it
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17 * Sec. 2. There is within the Department of Public Works a public facil-
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* Sec. 7. Sections 1 - 4 of this Act take effect immediately in accordance with AS 01.10.070(c).

#

Introduced: 4/15/75
Referred: Finance

BY BOWMAN, KELLEY, MCKINNON,
MILLER, NAUGHTON, PARKER AND
SWANSON

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2 HOUSE BILL NO. 429

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15 and general law municipalities of any class,

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20 develop facility procurement planning methodologies for submission for review
21 by the legislature by January 1, 1976. The commissioner shall prepare a
22 report delineating the various procurement policies which shall govern the
23 expenditures of capital funds by the state and shall delineate the amounts
24 of pre-planning funds necessary for the implementation of these policies.

25 * Sec. 3. AS 35.05.040 is amended by adding a new paragraph to read:

26 (10) procure directly materials, labor and contractual
27 services for planning, designing and constructing public facilities of
28 the state.

29 * Sec. 4. AS 29.13.100 is amended by adding a new paragraph to read:

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(36) AS 35.10.160 + AS 35.10.200 (public facility procurement policies)

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-070(c).

#

HB 179 The Finance Committee has had HOUSE BILL NO. 179 (community schools; effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 179 (Finance) (same title) and that it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Buchholdt, Itta, Haugen, Gruening, Cowper and Malone.

HOUSE BILL NO. 179 was referred to the Rules Committee for placement on the calendar.

HB 399 The Health, Education and Social Services Committee has had HOUSE BILL NO. 399 (High School Activities Association within Department of Education; effective date) under consideration and a majority of the members of the Committee recommends it do pass. The report was signed by Mrs. Sullivan, Chairman, and concurred in by Sullivan, Osterback, Ostrosky, Parr and H. Beirne. Not concurring were Davis and Hackney who have no recommendation.

HOUSE BILL NO. 399 was referred to the Finance Committee.

HB 429 The Finance Committee had had HOUSE BILL NO. 429 (public facility procurement policy of the state and of political subdivisions of the state; effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 429 (same title) and that it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Buchholdt, Duncan, Gruening, Malone, Itta, Naughton and Cowper. Not concurring was Haugen who has no recommendation.

HOUSE BILL NO. 429 was referred to the Rules Committee for placement on the calendar.

The Finance Chairman's report on HOUSE BILL NO. 429 appears as follows:

" FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 429

The legislative intent of Section 2 (procurement planning fund) is that this fund will be reimbursed from project appropriations for planning expenditures of those projects. After initial appropriation by the legislature, further appropriations will not be necessary.

It is also the intent of the legislature to consolidate, insofar as possible, the existing working capital planning funds within state government in order to carry out the intent of the Committee Substitute for House Bill 429.



Hugh Malone, Chairman
House Finance Committee "

MEMORANDUM

State of Alaska
DEPARTMENT OF PUBLIC WORKS

TO: Tracy Kaldor
Administrative Director
Department of Public Works

DATE: April 18, 1975

FILE NO: 131-08

TELEPHONE NO:

Denise
William H.
Denise Pate
FROM: William H. Race, P. E.
Director
Division of Buildings

SUBJECT: Legislation - HB 429

The following comments and questions are furnished relative to House Bill Number 429:

Section 35.10.170

Paragraph (1) Will this supersede and replace existing statutes which give similar powers to other departments, such as 46.03.020? It is also assumed that the statute does not include the University of Alaska, but perhaps this should be clarified.

Paragraph (3) The Department of Administration has assumed this authority. The Division specifically requested a position to perform this function in its FY-76 budget, but the Division of Budget and Management, Department of Administration, deleted the request. The reason was that the Department of Administration was to perform the function through the State Leasing Officer.

Section 35.10.180

Paragraph (a) Does this paragraph apply only to projects which may be partially or completely funded by State funds?

Section 35.10.190

Paragraphs (a) and (b) Do these paragraphs apply only to projects which may be partially or completely funded by State funds?

Section 35.05.040

Does this section specifically allow the Department of Public Works to purchase materials for building construction without the approval of the Department of Administration?

If this legislation were adopted, it is anticipated that additional planning positions, and support positions to the planners, would be required within the Division of Buildings.

NAME	INITIALS	DATE
Director		
Asst. Dir.		
Adm. Serv.		
Arch.		
Const.		
Eng.		
Equip. Maint.		
Gen. Inv.		
Ident.		
Int. Aff.		
Lab.		
Plan. & Insp.		
Spec. Inv.		
Training		
Off. Sec'y		

RECEIVED
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STATE OF ALASKA
DEPT. OF
PUBLIC WORKS

MEMORANDUM

State of Alaska

TO: William H. Race, P.E.
 Director
 Division of Buildings

DATE: April 18, 1975

FILE NO: 131-02

TELEPHONE NO: 586-6411

FROM: George C. McCurry, P.E. *gmc*
 Chief of Maintenance
 Division of Buildings

SUBJECT: House Bill 429

The following comments on House Bill 429 are offered by the Maintenance and Operations Section:

Section 35.10.170 (1) - Origination and implementation of facility procurement policies for maintenance and operation of wholly and partially State-funded buildings would entail a considerable enlargement of this section's responsibilities. This would be particularly true if we were to assume responsibility for rural schools and for buildings to be operated by other governmental entities, as these facilities typically have rather complicated and difficult maintenance and operation problems. It is uncertain whether the development of facility procurement policies (as outlined in this bill) is meant to apply to all State buildings, or whether the intent is more limited in scope.

Section 35.10.170 (2) - This section already maintains an inventory of physical facilities (buildings), which is the Building Index. However, much of the information in the Index is not up-to-date, and it is estimated that approximately one man-year is required to inventory remaining facilities and produce a fully current record. The present format of the Building Index also needs improvement, to present the data in a more readily understandable form. To administer the Building Index will require a full-time position, at least initially during the updating period.

Sections 35.10.170 (3) & (4) - Not applicable to this section.

Sections 35.10.170 (5) & (6) - Implementation of life-cycle costing for public buildings is highly desirable. It would probably be better for one person or unit to be responsible for the origination and coordination of the complete life-cycle cost analyses. In this regard, I believe a complete overhaul of our present fiscal and accounting procedures would be necessary, to more fully associate all costs with each particular facility. For example, the present accounts do not cause staff overhead and personal services costs to be distributed in any meaningful fashion to the operating cost of a specific building. Obviously, a great amount of work will be necessary to formulate the life-cycle costing methodology, but particularly to rearrange our present costs into usable form so that future projections can be made.

Section 35.10.170 (7) - Not applicable to this section.

Memorandum

2

April 18, 1975

William H. Race, P.E.
Director
Division of Buildings

Sections 35.10.180 and 35.10.190 - This section would furnish input, as appropriate.

Section 35.05.040 (10) - Include the words "maintenance and operation" in the sentence, as the present procurement system for materials takes far too long for timely completion of urgent maintenance projects.