

SB

315

SFIN

FILE

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/20/96

FURTHER: Finance

Date of 5-Day Notice: 3/21/96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4/12/96

The Transportation Committee considered SENATE BILL NO. 315
 Relating to procurement by the Alaska Railroad Corporation.

Phi's

and recommends:

- be replaced with CS SB 315 (TRA)
- adopt previous CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Chris L. Taylor</i>	<input checked="" type="checkbox"/>	<i>Demanded</i>	<input checked="" type="checkbox"/>		
<i>Lylee Breech</i>	<input checked="" type="checkbox"/>				
CHAIR:		CHAIR: <i>Steve Thayer</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DOT/PF</i>	<i>3/26/96</i>	<input checked="" type="checkbox"/>	
<i>Alaska Railroad Corp</i>	<i>3/26/96</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No. 1

Version: CS SB 315 (TRA)

STATE OF ALASKA
1996 LEGISLATIVE SESSION

(S) Publish Date: 4/12/96

Revision Date:	3/26/96	Dept. Affected:	DOT&PF
Title:	*An Act relating to procurement by the Alaska Railroad Corporation.*	BRU:	Engineering & Operations
Sponsor:	Senate Transportation	Component:	Engineering & Operations
Requester:	TRA, FIN	COMPONENT SERIAL NO.	#547

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The Department is not opposed to competitively bid public projects. Cost-effective construction allows us to build more for our limited funds. We recognize, however, that in some circumstances, a utility such as the ARRC might wish to control and perform the work on their own facilities, which they must operate and maintain during and after construction. In that instance, if the work is not contracted out, payment is by strict force account. The current statutes recognize and allow this flexibility. It is in the best interest of both the DOT&PF and the ARRC to administer the work to obtain completed projects in a cost-effective manner.

Prepared by:	Loren Rasmussen, P.E., Acting Director	Phone:	465-2960
Division:	Engineering and Operations <i>Loren Rasmussen</i>	Date:	3/26/96
Approved by:	<i>Joseph L. Perkins</i>	Date:	3/26/96
Agency:	Department of Transportation and Public Facilities		

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MAR-25-1996 11:10

SEN RIEGER

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No. 2

FISCAL NOTE

Bill Version: CS SB 315(TRA)

(S) Publish Date: 4/12/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: _____
 Title: An Act relating to procurement by BRU: _____
the Alaska Railroad Corporation Component: _____
 Sponsor: Senate Transportation Committee
 Requester: _____ COMPONENT SERIAL NO. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 100	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL						

Estimate of any current year (FY96) cost: 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See attached.

Prepared by: Robert S. Hatfield, Jr., President & CEO
 Division: Alaska Railroad Corporation
 Approved by Commissioner: _____
 Agency: _____

Phone: 265-2403
 Date: 3/26/96
 Date: _____

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POSITION PAPER / Alaska Railroad Corporation

Position Paper

for

SB-315

SB-315 proposes that the Alaska Railroad Corporation Board of Directors adopt procedures to govern the procurement of certain supplies, services, professional services, and construction.

Specifically, the proposed legislation provides that when procuring supplies, services, professional services, or construction contracts related to construction work that the Department of Transportation and Public Facilities authorizes the Alaska Railroad to perform, the Alaska Railroad Corporation must use competitive sealed bidding or proposals.

In 1988, pursuant to the legislative mandate contained in AS 36.30.015(e), the Alaska Railroad Corporation Board of Directors adopted a procurement policy that is substantially equivalent (in fact, virtually identical) to state procurement procedures, providing for competitive bidding on all its procurement. Whenever the Corporation procures such outside, third-party services, these competitive procedures are already applied. Procurement procedures do not apply, as a matter of course, to activities performed with the Corporation's own employees.

Because procedures virtually identical to the State procurement statutes already apply to ARRC procurement, this proposed legislation would not be required.

Further, because of the liability which the railroad accepts through its normal operations, we are concerned about both the quality of the materials and the work that will be performed within our right-of-way.

Close coordination between train operations and construction activity is paramount for both safety and quality. Whether a third party or the Alaska Railroad performs the construction activity, Railroad Supervisory Personnel will be required.

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