

HB

480

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 480

Revision Date: _____ Dept. Affected: DOT/PF
 Title: "An Act relating to maintenance of state marine vessels; and providing for an effective date." BRU: Marine Engineering
 Sponsor: House Transportation Component: Overhaul
 Requester: House Transportation COMPONENT SERIAL NO. 1212

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	50.0	50.0	50.0	50.0	50.0	50.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	50.0	50.0	50.0	50.0	50.0	50.0

CAPITAL EXPENDITURES						
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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	50.0	50.0	50.0	50.0	50.0	50.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	50.0	50.0	50.0	50.0	50.0	50.0

Estimate of any current year (FY98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The following calculations include no inflationary increases.

This bill would require economic analyses be performed to determine both direct and indirect benefits to the state relating to the location of marine vessel maintenance. In order to accomplish this, contracted economic studies would be performed. We estimate this would cost \$50.0 per year.

Bob Doll, General Manager
Alaska Marine Highway System

Phone: 465-3959
Date: 4/3/98

Approved by: 
Joseph L. Perkins, Commissioner

Date: 4/3/98

Agency: Department of Transportation and Public Facilities

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Representative William K. Williams

SPONSOR STATEMENT HB 480 maintenance of state marine vessels

AS 36.90.050 expired by sunset in August 1997 and provided similar considerations to those contain HB 480. Passage of House Bill 480 will preserve the following benefits to the state:

State Multi-vessel Maintenance Agreements: Prior to expiration of AS 36.90.050, the AMHS negotiated with Alaska shipyards a precedent setting multi-vessel maintenance agreement for seven of its eight state ferries. This multi-vessel agreement resulted in significant savings and economic benefits to the state and Alaska's growing ship repair industry. After the expiration of AS 36.90.050, the state will no longer be able to negotiate future advantageous multi-vessel agreements with Alaska shipyards.

Creates a Level Competitive Playing Field for Alaska's Shipyards: HB 480 provides for a true and accurate statement of interport differential costs giving Alaska shipyards a fair competitive basis for publicly bid vessel repair projects. HB 480 provides guidance for full, understandable and repeatable calculation and disclosure of costs which make-up the interport differential.

Interport Differentials Explained: Interport differential refers to costs associated with moving a vessel from point (a) --the vessels base port--to point (b)--any other place a bidder is located-- and back. The interport differential is calculated by the state and added to the non-base port shipyard's bid. Further, HB 480 directs the AMHS to adopt interport regulations

HB 480 creates a level playing field between bidders for state marine vessel maintenance and repair work. A level playing field helps Alaska's shipyards draw new marine support contractors, vendors and support industries to Alaska and ultimately diversify the state's economy and bolster winter employment in Alaska.

HOUSE BILL NO. 480

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

Introduced: 4/1/98

Referred: Transportation

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to maintenance of state marine vessels; and providing for an
2 effective date."

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

4 * Section 1. AS 36.90 is amended by adding a new section to read:

5 Sec. 36.90.049. Maintenance of state marine vessels. (a) A marine vessel
6 owned by the state shall be maintained and repaired at a shipyard facility located in
7 the state unless the commissioner of the department that operates the marine vessel
8 determines in writing that there is no shipyard facility located in the state that is
9 equipped or qualified to perform the particular maintenance or repair required, or, after
10 taking into consideration the Alaska bidder preference set out in AS 36.30.170 and the
11 interport differential, as determined by the Alaska marine highway system under this
12 section, that the proposed cost of the maintenance or repair work is unreasonable. In
13 making the determination, the commissioner shall consider, and document in writing,
14 the direct and indirect benefits to the economy and labor force in the state that would

1 be derived by performing the vessel maintenance or repair at a facility in the state.
2 A detailed list of the costs and factors considered in calculating the interport
3 differential must be provided to each person who expresses an interest in submitting
4 a bid to perform maintenance or repair work on a marine vessel owned by the state.

5 (b) The competitive bid provisions of AS 36.30 do not apply to a contract for
6 the maintenance or repair of a marine vessel owned by the state if the contract is
7 awarded to a shipyard facility in the state.

8 (c) The commissioner of the department that operates a marine vessel shall
9 adopt regulations establishing the criteria that the department shall use to determine
10 whether the cost of maintenance or repair work at a shipyard facility located in the
11 state is reasonable under (a) of this section. The commissioner shall designate by
12 regulation the designated base port for each vessel operated by the department. A
13 vessel's designated base port is the vessel's delivery and redelivery port.

14 (d) The Alaska marine highway system shall adopt regulations establishing the
15 criteria that the Alaska marine highway system shall use in calculating the interport
16 differential under this section. The criteria for calculating the interport differential
17 must include costs incurred from the time that the vessel leaves the vessel's designated
18 base port to enter the shipyard facility until the time that the vessel returns to the
19 designated base port from the shipyard facility.

20 (e) In this section,

21 (1) "commissioner of the department that operates the marine vessel"
22 includes the president of the University of Alaska with regard to a vessel operated by
23 the university;

24 (2) "interport differential" includes all costs related to the performance
25 of the maintenance or repair work of a marine vessel at a shipyard located outside of
26 the state, including travel costs incurred moving the vessel from its designated base
27 port to the shipyard outside of the state, additional fuel consumption, cost of
28 consumables including lubricants and other engine and deck stores, maintenance costs
29 incurred during running time, cost of crew transfers including airfare between Alaska
30 and the shipyard, wages in travel status, crew room and board, and other interport
31 costs identified by the Alaska marine highway system.

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* Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

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or spent by an agency
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ment, materials, and
use of agencies, such
of other interests in
30 SLA 1990; am § 10
2; am § 3 ch 94 SLA
45 ch 137 SLA 1996)

B), added present item (v).
ent, effective July 1, 1992,
eted former item (ii), relat-
sing Authority and reded-
is accordingly.
effective September 27,
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ective July 9, 1996, added

eneral. — The State Pro-
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license tests by the Divi-
division does not pay any
Instead, all test fees are
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g. 13, 1991 Op. Att'y Gen.

State Procurement

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ICE.

. § 3 ch 137 SLA

ine vessels owned
located in the state
vessel determines

in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the particular maintenance or repair required, or, after taking into consideration the Alaska bidder preference set out in AS 36.30.170 and the interport differential, as determined by the Alaska marine highway system, that the proposed cost of the maintenance or repair work is unreasonable. In this subsection, "commissioner of the department that operates the marine vessel" includes the president of the University of Alaska with regard to a vessel operated by the university.

(b) The competitive bid provisions of AS 36.30 do not apply to a contract for the maintenance or repair of a marine vessel owned by the state if the contract is awarded to a shipyard facility in the state. (§ 1 ch 57 SLA 1986; am § 61 ch 14 SLA 1987; am § 4 ch 94 SLA 1992)

Delayed repeal of section. — Section 5, ch. 94, SLA 1992 repeals this section on August 30, 1997.

Effect of amendments. — The 1992 amendment, effective June 19, 1992, rewrote this section.

Revisor's notes. — Enacted as AS 36.20.020. Re-numbered in 1986.

Article 2. Professional Registration Requirements.

Section

100. Contracts for architectural, engineering, or land surveying services

Sec. 36.90.100. Contracts for architectural, engineering, or land surveying services. The state or a municipality may not award a contract for architectural, engineering, or land surveying services to

(1) an individual who is not registered under AS 08.48 to perform the architectural, engineering, or land surveying services required by the contract;

(2) a partnership that is not qualified under AS 08.48.251 to provide the architectural, engineering, or land surveying services required by the contract; or

(3) a corporation that is not authorized under AS 08.48.241 to offer the architectural, engineering, or land surveying services required by the contract. (§ 1 ch 54 SLA 1986)

Article 3. Public Construction Contract Payment.

Section

200. Payment deadline and interest
210. Required contractual terms
220. Optional contractual terms
230. Withholding payment for unsatisfactory performance
240. Form of certain notices

Section

250. Retainage
260. Miscellaneous provisions
265. Applicability to political subdivisions
270. Waiver of provisions prohibited
290. Definitions

Editor's notes. — Section 4, ch. 137, SLA 1990 provides that AS 36.90.200 — 36.90.290 apply to

"public construction and public works contracts that are entered into on or after July 1, 1990."

Sec. 36.90.200. Payment deadline and interest. (a) The state or a political subdivision of the state shall pay the prime contractor for satisfactory performance on a public construction or public works contract within 30 calendar days of the date the state or political subdivision receives a payment request from the prime contractor that complies with the contract. If a political subdivision is going to use grant money for the contract, the subdivision shall pay the prime contractor for satisfactory performance within 21 calendar days of the date the subdivision receives a payment request that complies with the contract or within 21 calendar days of the date the subdivision actually receives the grant money, whichever is later. If the state is going to use federal money for