

SB

285



Official Business

Alaska State Senate

Senate Finance Committee

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SPONSOR STATEMENT

SB 285: Procurement Practices for the Alaska Railroad

When Alaska highway improvements are needed, a project is designed, an advertisement for bids occur, and a construction contract is competitively awarded for the construction. When the highway that is being improved crosses a railroad track, the work that is involved for a railroad crossing or overpass is defined with technical requirements and the construction work is included in the contract for the total highway improvement project.

When the situation described above occurs, the Alaska Railroad has input into the technical and financial requirements. The Department of Transportation negotiates a force account contract with the Alaska Railroad and their needs are satisfied. This arrangement results in the following:

- reduces the amount of work that private contractors have available to perform
- removes tax dollar expenditures from a competitive bid arrangement
- allows the Alaska Railroad to define how a portion of their tracks that interface with a highway improvement project can be improved at taxpayer expense.
- allows the Alaska Railroad to define how much the railroad portion of a highway improvement project should cost.
- and gives the Alaska Railroad the taxpayers funds to provide the improvements.

SB 285 will establish a fair and effective manner to award construction contracts for projects that cross the railroad. This bill will require the Alaska Railroad to utilize a competitive bidding process that is openly advertised.