

**SB**

**141**

AMENDMENT

#2

5/5

*adopted*

IN THE HOUSE

TO: HCS CS SB 141 (JUD)  
Word Draft LS0827\K  
5/5/99

Page 3, line 10, insert a new section to read

“Sec. 7. Section 4(c), ch.15, SLA 1998 is amended by adding:

(4) the agreement to lease must provide a fixed rate per each bed day, adjusted annually during the term of the lease according to an appropriate index. The fixed rate for the first year of the lease must include all capital and operating costs and may not exceed \$70 per each bed day.”

Renumber previous sections 7 and 8 accordingly.

5/5

Amendment #4

OFFERED IN THE HOUSE  
TO: HCS CSSB 141 (L&C)

BY REPRESENTATIVE CROFT

Page 3, line <sup>9</sup>17, following "section."

" AN ENTITY THAT

~~AN ENTITY THAT~~



Insert "A ~~contractor~~ who brings an action in court to stop the procurement of a facility or operation on a design-build construction contract basis from being handled on a competitive basis may be awarded the contract only on a competitive basis."

WORK DRAFT

WORK DRAFT

WORK DRAFT

J-I.S0827K  
Bannister/  
5/5/99

5/5  
admitted

HOUSE CS FOR CS FOR SENATE BILL NO. 141(JUD)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATOR LEMAN BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to construction contracts and subcontractors; relating to design-  
2 build construction contracts; and providing for an effective date."

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

4 \* Section 1. AS 36.30.115(b) is amended to read:

5 (b) A construction contractor or the [THE] apparent low bidder for a  
6 construction contract may replace a listed subcontractor if the subcontractor

7 (1) fails to comply with AS 08.18;

8 (2) files for bankruptcy or becomes insolvent;

9 (3) fails to execute a contract with the construction contractor or  
10 bidder involving performance of the work for which the subcontractor was listed and  
11 the construction contractor or bidder acted in good faith;

12 (4) fails to obtain bonding;

13 (5) fails to obtain insurance acceptable to the state;

14 (6) fails to perform the contract with the construction contractor or

WORK DRAFT

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1-LS0827AK

1 bidder involving work for which the subcontractor was listed;

2 (7) must be substituted in order for the [PRIME] contractor to satisfy  
3 required state and federal affirmative action requirements:

4 (8) refuses to agree or abide with the [BIDDER'S] labor agreement of  
5 the construction contractor or bidder; or

6 (9) is determined by the procurement officer not to be a responsible  
7 subcontractor.

8 \* Sec. 2. AS 36.30.115 is amended by adding new subsections to read:

9 (f) In addition to the circumstances described in (b) of this section, a  
10 construction contractor may request permission from the procurement officer to add  
11 or replace a listed subcontractor. The request must be in writing, specifically detailing  
12 the basis for the request, and include appropriate supporting documentation. The  
13 procurement officer shall approve the request if the procurement officer determines in  
14 writing that the requested addition or replacement is in the best interest of the state.

15 (g) The requirements of this section do not apply to a design-build construction  
16 contract.

17 (h) In this section, "construction contractor" means a person who enters into  
18 a construction contract with an agency.

19 \* Sec. 3. AS 36.30.210(b) is amended to read:

20 (b) An offeror for a construction contract shall submit evidence of the offeror's  
21 registration under AS 08.18. A request for sealed proposals for a construction  
22 contract, except a design-build construction contract, must require the offeror, no  
23 later than five working days after the proposal that is the most advantageous to the  
24 state is identified, to list subcontractors the offeror proposes to use in the performance  
25 of the construction contract. The list must include the information required under  
26 AS 36.30.115(a). The provisions of AS 36.30.115(b) - (g) that apply to a  
27 construction contractor or an apparent low bidder [AS 36.30.115(b) - (c)] apply  
28 to offerors submitting competitive sealed proposals for construction contracts, except  
29 design-build construction contracts.

30 \* Sec. 4. AS 36.30.210 is amended by adding a new subsection to read:

31 (f) In this section, "construction contractor" has the meaning given in

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1-LS0827AK

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AS 36.30.115.

\* Sec. 5. AS 36.30.990 is amended by adding a new paragraph to read:

(23) "design-build construction contract" means a contract to provide construction in accordance with a design provided by the contractor.

\* Sec. 6. Section 4, ch. 15, SLA 1998, is amended by adding a new subsection to read:

(d) The adoption by a municipality, when exercising its powers under AS 29.35.020(a), of an ordinance for procurement of a facility or operation on a design-build construction contract basis satisfies the procurement requirements under (b) of this section.

\* Sec. 7. ADDITION OF SUBSECTION (d) TO SEC. 4, INTENT OF CH. 15, SLA 1998.

The intent of the amendment made by sec. 6 of this Act is to take advantage of the unique opportunity to use surplus military facilities on the road system that are becoming available through the United States Army's realignment of Fort Greely's mission, to prevent and ameliorate economic hardship in the Delta region occasioned by that realignment and the consequent reduction in forces and civilian employment at Fort Greely, and to relieve overcrowding of existing correctional facilities within the state and the extensive use of out-of-state correctional facilities to house Alaska inmates.

\* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

# LEGAL SERVICES

5/5

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130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

### MEMORANDUM

May 5, 1999

**SUBJECT:** HCS CSSB 141(JLD) (Work Order No. 21-LS0827\K)

**TO:** Representative Pete Kort, Chair  
House Judiciary Committee  
Attn: Cory

**FROM:** *TB*  
Theresa Bannister  
Legislative Counsel

This memo accompanies a draft of the bill described above.

1. Deletion of former bill sec. 3 (amending AS 36.30.200(c)). It is not clear to me why former sec. 3 is being deleted. I believe that sec. 3 was only included as a drafting measure to make AS 36.30.200(c) consistent with needing a general definition for "design-build construction contract" for the other sections of the bill. By deleting sec. 3, AS 36.30.200(c) will remain as it is without change. Does this accomplish the committee's goals?
2. Addition of intent language for sec. 6. Sec. 7 now includes the intent language from sec. 4, ch 15, SLA 1998. I am not sure why this is helpful, since, by amending sec. 4, as sec. 7 does, sec. 7 will already tie in to that intent language. However, intent language that states the legislature's intent for the amendments made by sec. 7 would be a good addition.

If I may be of further assistance, please advise.

TLB:glc  
99-236 glc

Attachment



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SB 141, dated 5/5/99  
bill/ subject committee name

**PLEASE DELIVER TO HOUSE JUDICIARY  
COMMITTEE MEMBERS IMMEDIATELY.**

5/5/99 10:29 AM

Attached are 9 pages containing 77 signatures of Delta Junction citizens who are urging you to pass SSB 141 with sec 7 intact out of committee and onto the floor. We thank you for the time and attention given to this matter that is very important to us and vital for our community.

Signed:

FRED E. WOOD

Testifier

PRISON PROPONENTS OF DELTA JUNCTION

Representing (Optional)

P.O. BOX 1342 DELTA JCT, AK. 99737

Address

907 (895-2045-H) (895-5038-W)

Phone No.

FROM : NORTHSTAR CENTER  
Sole-sourcing provision for prison examined

PHONE NO. : 907 473 4957

May. 05 1999 08:05AM P1

[http://www.newchoice.com/Webocw/ibkmainfpg2/99-05-05\\_b1doh05.asp?PK=FbkMr](http://www.newchoice.com/Webocw/ibkmainfpg2/99-05-05_b1doh05.asp?PK=FbkMr)

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Bill

**Sole-sourcing provision for prison examined**

Wednesday, May 05, 1999

**By SEAN COCKERHAM**  
Staff Writer

A proposal that would give the state's blessing to Delta Junction's controversial decision to award a sole-source private prison contract was the subject of a six-hour Judiciary Committee hearing Tuesday.

Sixty-four people packed the Legislative Information Office in Delta Junction to listen via teleconference to the Juneau hearing.

Rep. Eric Croft, D-Anchorage, made a proposal at the end to eliminate the sole-sourcing provision, which another House committee had tacked on the end of a contracting bill.

But the tired Judiciary Committee members adjourned without discussing Croft's motion -- or passing the bill out of the committee. The committee did take out a clause which would have made the sole-sourcing provision retroactive.

Committee members who appeared receptive to the sole-sourcing provision said the retroactive clause was unimportant and served only to stir the blood of those who testified that the Legislature was trying to go back and make an illegal act legal.

Rep. Jeannette James, R-North Pole, said the retroactive clause was not vital because the bill simply clarifies that the city of Delta Junction already had the authority to offer a sole-source contract.

"So we make it perfectly clear," she said. "(Previous legislation) does allow it."

The legislation passed last year authorizing the state to house prisoners in Delta Junction requires the city to follow a process "similar" to the state procurement code -- which allows sole-sourcing under certain circumstances. "It seems to me the conditions warrant it," James said.

The Delta Junction City Council voted March 30 to bypass competitive bidding for the contract to build the private prison -- and operate it for the first five years.

The council had voted to accept a negotiated settlement giving the contract to Delta Corrections Group, a new company created by Allvest Inc. and parent company Cornell Corrections Inc.

Delta Junction city officials testified that the sole-sourcing was the only way to get the prison at Fort Greely built by the time the fort, a huge part of the local economy, largely shuts down in July 2001. The settlement also eliminated Allvest's threat of a lawsuit.

"Delta Junction is going to be in a world of hurt when Fort Greely closes," testified Delta Junction Councilman Rick Johnson.

During the last advisory vote -- before the decision to bypass competitive bidding -- city residents favored proceeding with the prison by a 188-118 margin, while those in the neighboring unorganized area were split 397-397.

FROM : NORTHTOWN CENTER

PHONE NO. : 907 474 4557

May. 05 1999 08:05PM PST

[http://www.newscorner.com/Webnewa/tblmainpg2/99-05-05\\_b1date05.asp?OPC--tblm](http://www.newscorner.com/Webnewa/tblmainpg2/99-05-05_b1date05.asp?OPC--tblm)

Most of the Delta-area residents who testified by teleconference Tuesday blasted the prison and the sole-sourcing.

A group of area residents have sued to stop the sole-sourcing, and one stated that the Legislature's actions will not stop the suit. There is also a petition circulating in Delta Junction calling for a vote to overturn the city council's sole-sourcing decision.

Representatives of two private prison companies -- including the company which currently houses Alaska prisoners in Arizona -- testified Tuesday they would be interested in bidding on the Delta prison.

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Phone: 907-274-6667  
Fax: 907-222-7750

## Delta Corrections Group LL

# Fax

To: Representative Pete Kott                      From: KAREN MOORE FOR BILL WEIMER

---

Fax: 1-907-465-2819                                  Pages: 3 including cover

---

Phone:    Date: 5/5/99 10:27:14 AM

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Re: Article on Prison Sole-Sourcing              CC:

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Urgent       For Review       Please Comment       Please Reply       Please Recycle

● **Comments:**

Follows the article that appeared in today's Fairbanks Daily News Miner for your information.

# Alaska

## WORLDCLASS ADVENTURES

David A. Bridgna  
Registered Guide, Pilot

1752 Shaart Drive  
Fairbanks, AK 99709

Ph: 907-452-8680  
Fax 907-452-6778

May 5, 1999

To: All House Judiciary Committee members

Re: Senate Bill 74

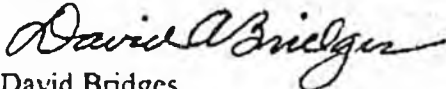
From: David A. Bridges

Dear members:

I wish to acknowledge my **strong support** of SB 74 and the amending of the prohibition on shooting wolves and other predators on the ~~same~~ day as airborne. Under the present law the Alaska Dept. of Fish and Game biologists are not allowed to control wolves according to approved game management plans, in areas where wolves are ~~decimating~~ game populations. They must have this freedom if they are to accomplish their jobs. Your **help** is needed to pass SB 74 and to eliminate the unworkable definition of "biological emergency" and to help our biologists manage all game in a sensible way.

Your help is greatly appreciated.

Very sincerely,

  
David Bridges





**Urgent attention House Judiciary Committee:**

May 5, 1999

We, the undersigned, are voters and citizens of the Delta community. We represent the majority that twice voted in support of a private prison at Fort Greely.

We are working people, business people, professionals, and the core of the Delta community. The people you heard with negative testimony yesterday do not represent us. Most of us have sent POMs, testimonials, e-mail, fax, and telephoned your offices. Don't be misled...we, the majority, support a private prison at Fort Greely. We support the agreement with the city.

We urge you to pass SSB 141 with sec. 7 intact out to the full House Today

Name	Occupation	Phone #
<i>George McAllen</i>	<i>business owner</i>	<i>907-895-4679</i>
<i>[Signature]</i>	<i>Meat cutter</i>	<i>907-895-4492</i>
<i>Edith G. Fox</i>	<i>Delta Meat &amp; Sausage</i>	<i>907-895-4006</i>
<i>Joanne Pankelman</i>	<i>Delta Meat &amp; Sau. ?</i>	<i>907 895-4006</i>
<i>Ferry McAllen</i>	<i>Delta Concrete</i>	<i>9078954679</i>
✓		





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May 5, 1999

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**We urge you to pass SSB 141 with sec. 7 intact out to the full House Today**

Name	Occupation	Phone #
<del>Joe ...</del>	<del>...</del>	<del>—</del>
<del>...</del>	<del>...</del>	<del>—</del>
Sherry ...	hairdresser	895-4323
<del>...</del>	<del>insulator</del>	<del>895-4377</del>
...	...	—
Minky ...	Food services	—
Sharon ...	store owner	895-4224
Michael ...	civil ser. employee	895-1946
...	...	895-4578
Stromie ...	civil service	895-1891
Charles A. ...	Personnel	895-4216
William J. ...	retired	895-4855

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May 5, 1999

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Name	Occupation	Phone # (907)
Loretta Schooley	BUSINESS OWNER + SCHOOL BUS DRIVER	895-4550
Debra L. Hernal	Office Manager	895-4439
Joni Chapman	BUSINESS OWNER	895-4240
Elizabeth Purvick	Executive	895-1991
James S. S. S.	BUSINESS OWNER	895-4550
Wanda B...	Business owner	895-4474
Audrey H. Olem Hints	VETERINARY Ass +	895-4998
Nickie Zachgo	Bus Monitor	895-4447
Karen Lee	bus driver/clerk	895-4266
Clara W. B...	Business Owner	895-5060
M.D. H...	BUS MECHANIC	895-6246

**Urgent attention House Judiciary Committee:**

May 5, 1999

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**We urge you to pass SSB 141 with sec. 7 intact out to the full House Today**

Name	Occupation	Phone #
SCOTT MCBRIDE	COMMUNICATION EQUIPMENT equip. operator	895-4992
CYNTHY HILTON	School Bus Driver	895-4334
Edward Adams	Business owner	895-1052
ALLEN T. EDWARDS	Petro DISPERSED ENGINEER	895-1980
Rob Beard	Clerk	895-4297
Sail McBride	bookkeeper	895-4992
<del>SCOTT</del> DAVID C. DURHAM	BANK MANAGER	895-4691
STEPHEN L FIELDS	COMPUTER INSTRUCTOR	895-1950
Kathy Fields	Business owner	895-1950
Bridget Stanley	unemployed	895-1950
Berham Williams	witress	895-1950
James McBride	Home market Christian Advocate	895-4009
Joseph P. Potts	BUSINESS owner	895-4331
Joseph P. Potts	Business owner	895-4331
Walter Korman	Truck operator	895-4262

**Urgent attention House Judiciary Committee:**

May 5, 1999

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**We urge you to pass SSB 141 with sec. 7 intact out to the full House Today**

Name	Occupation	Phone #
Fred E Wood	Project Mgrs.	895-2045
Michelle J. J... Michelle J...	Food Svrce	895-4653 895-4313 HM
Brenda Pursey	Cashier @IGA Food Cache	895-4653 895-5000
Ron Hardman	Produce manager	895-4654
Bill Adams	Night Baker	895-4409
Alvin E. Wright	Truck driver	895-4010
John R. Rogers	State of AK Forestry	895-6203
James C. Harris	Retired Teacher	895-4333
Dud Z. ...	Business owner	895-1023
Janice Neison	Retired	895-4441
Ed Larson	IGA FOOD CACHE OWNER Polar Roller EXPRESS	895-4653
Debra	Environmentalist	895-4289
Doree B... Doree B...	PAINTER	895-4727
Willa Lund	Welder	895-6251
Gary Skelham	Truck driver	895-4373



# SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189  
Web Site: <http://www.akrepublicans.org/Leman.htm>

Session: State Capitol, Juneau, AK 99801 (907) 465-2095  
Email: [Senator\\_Loren\\_Leman@legis.state.ak.us](mailto:Senator_Loren_Leman@legis.state.ak.us)

## Analysis of Bill/Program Effects

1) Under this legislation, AS 36.30.115 is amended by adding new language that specifically excludes design/build projects from conformity with the subcontractor notification requirements prior to contract award.

2) Under this legislation, AS 36.30.115 is amended by adding new subsections that will specifically allow for the state to add or replace a subcontractor when found in the best interest to so do.

There will be certain administrative and procedural advantages realized by this legislation relative to the design/build method of procurement/contracting and subcontractor addition or replacement. This legislation will not change or decrease the original intent of the law in either respect nor will there be any adverse budgetary impacts.

3) The Association of General Contractors supports these changes.



# SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189  
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## Sponsor Statement for SB141

"An Act relating to construction contracts and subcontractors; relating to design-build construction contracts; and providing for an effective date."

### Background/Legislative Intent

This bill was introduced on behalf of the Department of Transportation and Public Facilities and is intended to accomplish two things:

- 1) Excludes Design/Build contracts from the requirement to list subcontractors within five days after award of the contract

Currently, AS 36.30.115 gives direction on listing and replacing subcontractors, and penalties that may apply when a bidder violates provisions of this statute. AS 36.30.115 was enacted in 1986 with the purpose of encouraging and stimulating competition, giving a fair and equal opportunity to all prospective subcontract vendors, assuring that all qualifying vendors have the opportunity to bid, and providing a deterrent to the practice of bid shopping.

The problem with AS 36.30.115 is the five-day contractor notice requirement that states:

- (a) *Within five working days after the identification of the apparent low bidder for a construction contract, the apparent low bidder shall submit a list of the subcontractors the bidder proposes to use in the performance of the construction contract.*

The statute negates the ability to do design/build procurements and comply with the law at the same time.

The operating framework of design/build contracting is different from that of all other types of construction contracts. The contractor often does not know who his subcontractor(s) will be until he is well into the design and/or construction process - certainly past the five-day notification requirement.

The legislation changes the restrictive statutory language allowing design/build contracting without subcontractor selection notification as a condition of contract award.

2) Provides for the addition or replacement of a subcontractor when found to be in the state's best interest

In certain circumstances, during the performance of a construction contract, it may be necessary to add or delete a subcontractor from the contract. The state needs specific authority to take such action, when shown to be in the state's best interest.

When a contract must be expanded or decreased due to changed conditions, the state's project manager may need to have the ability to add or release a subcontractor under the contract. Without the statutory authority to make these subcontractor additions or deletions, the contractor would be in violation of the law if they took this action, even if the state supported the change.

Under this legislation, the requirement of having each such request submitted and approved in writing before such action is taken preserves the integrity of the procurement/contract process.

5/4

# ASHBURN AND MASON

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April 27, 1999

Honorable Norman Rokeburg  
Chair  
House Labor and Commerce Committee  
Legislature of the State of Alaska  
Pouch V  
Juneau, Alaska 99811

APR 30 1999

Re: Draft HCS CSSB 141 (L&C)

Dear Representative Rokeburg,

You have requested a review of the question set forth in Theresa Bannister's memorandum dated April 27, 1999, on whether the amendment violates the prohibition set forth in Article II, section 19 of the Alaska Constitution against local or special legislation.

Before discussing the applicable legal tests, it is important to review the intent behind chapter 15, SLA 1998, which is amended by this provision. Section 1 discusses a general intent to reduce the population in state prisons, and also addresses the Cleary decision.

Section 4, however, provides the specific intent of the act as it pertains to Fort Greely. These include:

1. "To take advantage of the unique opportunity to use surplus military facilities on the road system that are becoming available through the United States Army's realignment of Fort Greely's mission..."
2. "to prevent and ameliorate economic hardship in the Delta region occasioned by that realignment..."
3. "to relieve overcrowding of existing facilities within the state and the extensive use of out of state correctional facilities to house Alaska inmates..."

These set forth an intent to provide economic redevelopment relief to a specific area by using the unique opportunity of using the abandoned buildings left after the realignment of a military base. At the same time, it applies to a matter of statewide concern because seizing this unique opportunity will have a positive impact on the State by returning prisoners to custody within the state.

*Baxley v. State*, 958 P.2d 422 (Alaska 1998) provides guidance to this question of how to apply the

Hon. Norman Rokeburg  
April 27, 1999  
page 2

special and local legislation rule to this enactment. There, the legislation in question amended certain Northstar oil production leases. The court focused on the unique characteristics of the Northstar Unit and held that the legislative finding that the amendment would encourage and provide for the development of state resources for the benefit of the people was sufficient to avoid it being deemed special legislation.

Those standards apply here. Certainly the realignment of Fort Greely on July 2001 and the accompanying economic impact of the closure absent the project is a unique matter. The fact that the prison will also help address the return of prisoners to Alaska for incarceration is a matter of statewide concern.

The standard of review by the court is whether the legislative goals and means used to advance the legislation bears a "fair and substantial relationship" to legitimate goals. *Baxley*, 958 P.2d at 430. Certainly, allowing the City to proceed with its project under its ordinance to meet the economic redevelopment goals originally set forth in chapter 15 SLA 1998, to avail the state of the resources uniquely available under the realignment of Fort Greely, and to allow the return of prisoners to the state are all legitimate state goals. The method of the amendment, to essentially ratify the action of Delta Junction in achieving these goals bear a fair and substantial relationship to those goals.

Thus the application of Article II, Section 19 of the Alaska Constitution to this amendment should not result in a finding that it constitutes impermissible local or special legislation.

Please call if I can be of further assistance.

Very truly yours,

ASHBURN & MASON, P.C.



Donald W. McClintock

DWM

# LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

May 4, 1999

**SUBJECT:** HCS CSSB 141(L&C) (Work Order No. 21-LS0827M)

**TO:** Representative Pete Kott, Chair  
House Judiciary Committee  
Attn: Cory Winchell

**FROM:** *tb*  
Theresa Bannister  
Legislative Counsel

You have asked for an opinion on two issues for the bill described above. This memo responds to that request.

1. Does sec. 7 of the bill present a single subject problem? Art. II, sec. 13 of the Alaska Constitution provides:

Every bill shall be confined to one subject....The subject of each bill shall be expressed in the title.

Therefore, there are two separate, but related, aspects of this issue: the single-subject requirement and the expression requirement.

The title of HCS CSSB 141(L&C) reads:

An Act relating to construction contracts and subcontractors; relating to design-build construction contracts; and providing for an effective date.

The sections of the bill that are under examination are secs. 7 and 8. The primary section to be examined is sec. 7, because sec. 8 only operates to make sec. 7 retroactive. Sec. 7 reads:

\* Sec. 7. Section 4, ch. 15, SLA 1998, is amended by adding a new subsection to read:

(d) The adoption by a municipality, when exercising its powers under AS 29.35.020(a), of an ordinance for procurement of a facility or operation on a design-build construction contract basis satisfies the procurement requirements under (b) of this section.

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It has been argued that altering the procurement requirements for a prison operations contract does not fall within the same general idea as a bill relating to construction contracts. The court's standard is that the

act should embrace some one general subject; and by this is meant, merely, that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject.

Gellert v. State, 522 P.2d 1120, 1123 (Alaska 1974). The Supreme Court has held that the purpose of this constitutional provision is to guard against legislative log-rolling and the attendant danger of "inadvertence, stealth and fraud in legislation." Gellert, supra at 1122, quoting from Suber v. Alaska State Bond Committee, 414 P.2d 546, 557 (Alaska 1966).

The single-subject rule has been broadly construed by the court, to the extent that the court has expressed misgivings about the construction possibly rendering the rule meaningless. See Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173, 1180-1183 (Alaska 1985) and State v. First National Bank of Anchorage, 660 P.2d 406, 414-415 (Alaska 1982). However, without this broad construction, "statutes might be restricted unduly in scope and permissible subject matter, thereby multiplying and complicating the number of necessary enactments and their interrelationships." Gellert, supra at 1122, and quoted by Galbraith v. State, 693 P.2d 880, 886 (Alaska App. 1985). The court appears reluctant to impose a stricter standard. See Yute Air Alaska, Inc., supra at 1180-1181.

The single subject of the bill expressed in its title would probably reduce down to "contracts." All provisions of the bill relate in some significant way to contracts. The provisions of the bill also all relate to procurement and to governmental agencies. There are two parts to the bill. Sections 1 through 6 of the bill relate specifically to the disclosures required of state contractors about their subcontractors. Sections 7 and 8 of the bill relate to the procurement approach to be taken by a municipality in a particular situation. (Section 9 of the bill gives the entire bill an immediate effective date.) However, the two parts of the bill are not otherwise related.

Sec. 7 establishes that procurement on a design-build construction contract basis satisfies the procurement requirements of sec. 4(b), ch 15, SLA 1998. Sec. 4(b) requires that the city procure an operator for the correctional facility. It is not stated in sec. 7 how procuring on a construction contract basis will satisfy this requirement. However, the single-subject rule does not require that the provision in the bill be clear or easily applicable. The two parts of the bill do have a degree of logical relationship because they are both related to contract procurement by governmental agencies. The court has held that a title relating to "land" was sufficient; at issue there was an act containing disparate sections which were unrelated to each other except that they all concerned land; the court held that the title did not violate the single-subject rule, although it had misgivings. State v. First National Bank of Anchorage, 660 P.2d. 406, 414-415 (Alaska 1982). The Yute court, supra at 1180, stated that "water resources" and "state taxation" have been held to be "appropriate vessels for the diverse

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cargo with which they had been loaded." North Slope Borough v. Sohio Petroleum Corp., 585 P.2d 534, 545-546 (Alaska 1978) (state taxation); and Gellert v. State, 522 P.2d 1120, 1122-1123 (Alaska 1974) ("water resources"). Although the court has expressed its misgivings, and to that extent the court's action is uncertain, under the current precedents I believe that secs. 7 and 8 of the bill may be sufficiently related that the court would hold that all of the provisions of this bill relate to a single subject.

With regard to the expression of the subject in title required by art. II, sec. 18, the title of the bill may violate the expression requirement because the title does not seem to notify interested parties that an operations contract is involved in sec. 7.

As stated above, the general purpose of art. II, sec. 13 is "to prevent the inclusion of incongruous and unrelated matters in the same bill in order to get support for it which the several subjects might not separately command, and to guard against inadvertence, stealth and fraud in legislation." Suber, supra at 557. The Suber court examined whether the title was deceptive or misleading. Suber, supra at 557. More specifically, with regard to the expression requirement, the "purpose of the requirement is to prevent surreptitious introduction of legislation not indicated by the title." State v. First National Bank of Anchorage, 660 P.2d 406, 415n.19 (Alaska 1982). In First National Bank, the court stated, in response to a claim that the title did not adequately express its subject matter, that since "we have concluded that 'land' constitutes one subject, we believe that the requirement that the title express that subject is also satisfied." First National Bank, supra at 415n.19.

The title of this bill states that the bill relates to construction contracts. All of the provisions of the bill facially relate to construction contracts. Sec. 7 provides that procurement on a design-build construction contract basis satisfies the procurement requirements of sec. 4(b), ch 15, SLA 1998. In sec. 7, the construction contract basis is central to the language of sec. 7. The title does not describe how any of the sections deal with construction contracts or otherwise provide much information about the bill. However, this limited title approach does not appear to present a problem. As mentioned above, in First National Bank, the use of "An act relating to land" was acceptable. First National Bank, supra at 415n.19. Since sec. 7 of the bill relates to construction contracts, it is not hidden. The First National Bank court stated that, even with a title as broad as "land," anyone interested in any of the particulars of the bill would be advised by this title to look to the body of the law. First National Bank, supra at 415n.19. Although the title does not provide much information about the contents of the bill, I do not believe that under current court decisions the title is required to provide much information. An examination of the bill would indicate the application of sec. 7.

However, the title does not indicate the relationship between sec. 7 and the "operator" language and requirement of sec. 4(b), ch 15, SLA 1998. The awkward relationship between sec. 7 and the "operator" language and requirement is a problem. The relationship with sec. 4(b) is relevant to an evaluation of whether the title satisfies the expression requirement because if the construction contract has an operational basis (to operate the correctional facility), then "construction contract" in the title may be considered misleading because "construction contract" does not normally connote an operations contract. In addition, sec.

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7 itself indicates use of a design-build contract to procure an operation, which may also prove misleading for the same reason. If the title is misleading in this way it may fail the expression requirement because it doesn't provide reasonable notice of the contents of the bill.

In Suber, the court stated that when "construing such a provision, the court will disregard mere verbal inaccuracies, resolve doubts in favor of validity, and hold that in order to warrant the setting aside of enactments for failure to comply, the violation must be substantial and plain." Suber, supra at 557, quoting Griffin v. Sheldon, 78 F.Supp. 466, 11 Alaska 607, 615-616, 469-70 (D.Alaska 1948), rev'd on other grounds 174 F.2d 382, 12 Alaska 329 (9th Cir. 1949). Although not clear in Suber, by referring to Griffin, the phrase, "such a provision," appears to refer to both the single subject and expression requirements of art. II, sec. 13.

In conclusion, although the bill appears to have a single subject, it may violate the expression requirement of art. II, sec. 13, because the title may be considered misleading due to the language of sec. 7 itself or when sec. 7 is read in conjunction with sec. 4(b). However, as discussed above, the court has been reluctant to find a violation of art. II, sec. 13, and I do not know whether the court would consider this problem to be substantial and plain enough to constitute a violation of the expression requirement.

2. Is sec. 7 of the bill local or special legislation? Art. II, sec. 19, of the state constitution reads:

Section 19. Local or Special Acts. The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination....

The court evaluates challenges under this provision according to the test applied to nonsuspect classifications in equal protection cases. State v. Lewis, 559 P.2d 630, 643 (Alaska 1977). Thus, when the legislature has singled out an area or group, the court examines the legislative goals and the means used to advance them. If the legislation bears a "fair and substantial relationship" to legitimate purposes, the bill will not be invalid because of incidental local or private advantages. Legislation need not operate evenly in all parts of the state to avoid being classified as local or special. Lewis, 559 P.2d at 643. This is the minimum level of equal protection scrutiny in Alaska. This test was recently used to uphold amendment of net profit share provisions of state oil and gas leases. Baxley v. State, 958 P.2d 422, 430-431 (Alaska 1998). In Baxley the court did not discuss the fair and substantial test to any significant degree, but appeared to base its holding on the finding that a legitimate governmental purpose was involved and that the situation was unique. Baxley, supra at 430-431.

The purpose of sec. 7 of the bill is to allow Delta Junction to use a specific procurement approach for the procurement required for the use of Fort Greely facilities for the operation of a state correctional institution under sec. 4(b), ch 15, SLA 1998. Section 7 is facially general and does not raise local and special issues by its wording. The local and special issue

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in sec. 7 arises primarily due to its connection with sec. 4(b) and, secondarily, due to the nature of its procurement modification. Although it can be argued that an examination of the actual content and application of the ordinance authorized by sec. 7 may raise a local and special issue by itself if the ordinance appears to avoid general competition for the operating contract, I believe that it is more likely that the local and special issue for sec. 7 will be examined in the full context of the approach, as amended by sec. 7, for establishing a correctional facility for state prisoners in the Fort Greely facilities. The actual procurement approach to be used by Delta Junction may be considered peripheral to the general approach taken to establish the correctional facility.

The establishment of the correctional facility under sec. 4, ch 15, SLA 1998, as amended by sec. 7, does appear to address a matter of statewide concern. The ultimate goal is to use surplus military facilities on the road system that are becoming available through the United States Army's realignment of Fort Greely's mission to relieve the overcrowding of existing correctional facilities within the state and to ameliorate the extensive use of out-of-state correctional facilities to house Alaska inmates. The reason that the court rejected the borough creation legislation in Abrams was because it determined that the act did not have any statewide interest or impact. Abrams v. State, 534 P.2d 91, 94 (Alaska 1975). In this situation, the use of the correctional facility to house state prisoners affects the state generally because the prisoners may come from any part of the state and because the facility is handling a responsibility of the state's Department of Corrections.

The situation being addressed by sec. 4, as amended by sec. 7, also appears to have unique features. The facilities are available at Fort Greely because of federal action to realign Fort Greely. Although at least one other military facility in the state has also been affected by federal action, the facilities at Fort Greely are on the state's road system, which makes them feasible for use in this situation. These factors may support a finding that the situation is unique and one that calls for a special approach that will accommodate this particular situation. Therefore, to that extent the amendment of sec. 4(b) by sec. 7 has at least an arguable basis for uniqueness under the Baxley approach.

It is difficult to determine whether the approach taken by sec. 4 as amended by sec. 7 constitutes a fair and substantial relationship to the statewide purposes. The court would examine all of the facts of the situation before reaching its decision, and I do not have all of the facts available. Since the approach proposed will achieve the statewide purposes, the approach under secs. 4 and 7 does seem to have a direct and substantial relationship with the goal. Whether this is sufficient is not clear. It is not clear whether the approach taken by sec. 7 would be considered a significant change to what is authorized by sec. 4(b). Sec. 4(b) directs that the operator contract be obtained through a process similar to the procedures established in AS 36.30 (State Procurement Code), and AS 36.30.300 provides for the use of single ("sole") source procurement under certain circumstances. However, if a court were to determine from the legislative history of sec. 4, ch. 15, SLA 1998 that the legislature intended the municipality to use a competitive process, a sole source approach would be considered a significant change. To the extent the ordinance authorized by sec. 7 uses a specific, e.g. sole source, approach to achieving the goal, then it is possible that the court

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would examine whether using that approach constitutes a fair and substantial relationship to achieving the end goal (establishment of the correctional facility). If the court examines sec. 7 for that purpose, the court will determine whether not using competition in the procurement is essential to handling the situation for some particular reason based on the facts of the situation. If the use of a sole source approach is not required by the situation, the court may view it as having little relationship to achievement of the statewide purpose.

The relationship between sec. 7 and the "operator" language and requirement of sec. 4(b) is not clear or direct. The language of sec. 7 states that the procurement of a facility (presumably a Fort Greely facility) or an operation (presumably the operation of the correctional facility) would be on a "design-build construction contract basis." Although the sec. 7 amendment does not appear on its face to be consistent with the "operation" requirement of sec. 4(b), it is possible for the operational contract to be procured on a design-build construction contract basis where the operation of the facility is an essential ingredient of the construction contract. If so, then the new authority in sec. 7 arguably might be considered to facilitate the achievement of the correctional facility envisioned by sec. 4. The actual application of sec. 7 under the specific facts of the situation will be necessary to establish how sec. 7 works.

Sec. 4 arguably appears to address a matter of statewide concern, the establishment of a correctional facility. It is possible that the Fort Greely correctional facility situation might be considered a unique situation that may not be appropriate for general legislation. Although possible, I don't believe that sec. 7 would be separated from sec. 4 when evaluating whether there is a fair and substantial relationship with the establishment of the correctional facility. Whether the approach taken by sec. 4, as amended by sec. 7 of the bill, would be considered to bear a fair and substantial relationship to the establishment of the facility depends on the entire factual situation. Since I do not know all of the facts of this situation, I cannot predict whether this part of the test can be met.

If I may be of further assistance, please advise.

TLB:glc;jr:lmb  
99-064.lmb

*Wagon*  
*BY*  
*1/29*

**SETTLEMENT AGREEMENT**

Comes now, the City of Delta Junction (City), Allvest, Inc. (Allvest), and Delta Corrections Group, LLC (Contractor) and agree to the following terms and conditions.

*... ONLY HALF WAY  
HONEST,  
AND NOT ALWAYS  
IM GOOD STANDING.*

**A. RECITALS.**

1. Allvest, Inc. ("Allvest") is an Alaska corporation in good standing and is or has been a provider of correctional services in Alaska and Washington.
2. The City of Delta Junction ("City") is a second-class municipality organized under the laws of the State of Alaska.
3. Delta Corrections Group, LLC ("Contractor") is an Alaska limited liability corporation with the capability to undertake the construction and operation of a prison facility at Fort Greely. It is being formed as a result of this Agreement to undertake the performances called for in this Agreement. Its members are Cornell Corrections, Inc. (or its Alaska affiliate) and Allvest, Inc. Although Contractor is not a party to the dispute between the City and Allvest, by its signature, Contractor agrees to undertake the performances called for in this Agreement.
4. Although the City and Allvest do not agree on the essential question of whether the March 13, 1998, Agreement between Allvest and the Delta Greely Community Coalition is enforceable against the City, they do agree that litigation would be expensive, and even if the City were successful, could delay the project or possibly even result in its loss. Further, there exist, in addition to these considerations, significant facts that make it in the best interests of the community to proceed with the project on a sole source basis, which Delta Corrections Group, LLC is willing to undertake, and provided Allvest relinquish its claims under the March 13, 1998 Coalition/Allvest Agreement.

*WHAT FACTS  
TO OVERRIDE  
A COMPETITIVE BID?*

For these and other reasons, the parties hereby agree as follows:

**B. AGREEMENT TERMS.**

1. The Project.
  - a. Prior to or simultaneous with its entry into this Agreement, the City has determined that there exist substantial and independent facts to justify a sole source procurement for the initial construction and operation of the prison. Pursuant to those findings, the City agrees to enter into a sole source procurement with Contractor, pursuant to findings adopted by the City, for the design,

*WHAT FACTS  
TO JUSTIFY SOLE  
SOURCE PROCUREMENT?*

construction and operation of a prison at Fort Greely (Contract). The Contractor shall be responsible for the design, development, and construction of a minimum 800 bed (or up to 1,050 beds) medium security prison; plus operation of the prison for five years from Initial Occupancy. "Initial Occupancy" for the purpose of this term will begin the date the prison first houses inmates. Subject to the financing provisions set forth in section B.1.c., the Contractor shall bear the expense and shall be solely responsible for the direction and completion of all prison program design, architectural design, engineering, construction management, materials procurement and expediting, hazardous material remediation, demolition, construction and other direct and incidental effort necessary to provide a prison meeting the requirements of an Inter-governmental Agreement with the State of Alaska as contemplated by ch. 15, SLA 1998 (hereinafter IGA).

- b. The City will be the owner and hold title to the prison. The City will apply for a Economic Development Conveyance ("EDC") for transfer of the property identified in this Agreement for the project, and will seek interim leases in furtherance of conveyance ("LIFC") for such property pending transfer.
- c. The construction of the prison and the other performances under this Agreement will be financed under a revenue bond to be issued by the City and secured by the revenue stream created by the IGA. The parties agree that they both have incurred substantial expenses in the development of this project, will continue to incur additional expenses during the design, development, and construction of the prison and agree to cooperate with each other to recoup those expenses (other than lobbying expenses, if any) under the bond financing consistent with the requirements of the tax exempt status of the bonds, and applicable law. The Contractor shall bear the responsibility for developing and managing the project budget to be financed by the bond. To the extent permitted by applicable law and revenue bond requirements, the revenue stream under the IGA will be used first to satisfy bond debt, and the balance to be remitted directly to the Contractor as its compensation and expense reimbursement, which shall be subject to a security interest in favor of the City to secure the payments to it called for in section B.3. The City and the Contractor shall cooperate in structuring the relationships contemplated by this Agreement to the requirements imposed for the revenue bonds.

How much Bond

3  
How much for Compensation

2. The Lease.

- a. In return for the consideration set forth in Section B.3., the City will lease to the Contractor, the Fort Greely cantonment area as defined in Exhibit A, for a term to allow construction of the prison, and related support buildings and to allow for operation of the prison for five years from Initial Occupancy. The City is responsible for acquiring title to the property subject to lease. The City will apply for an EDC of all of the properties subject to lease, or whose title will be transferred to Contractor, and pending conveyance, will pursue securing from the Army, Base Realignment and Closure leases in furtherance of conveyance for the

- No. 1

properties so that the parties can begin the various performances called for under this Agreement. The parties will each cooperate and use their best efforts to effect these transfers and leases, and to allow Contractor access to the areas subject to lease to begin construction. To assist in the conveyances intended under this section, the Contractor shall perform the surveys required for the property described in Exhibit A and the property to be conveyed to the Contractor under Exhibit B.

- b. Both parties agree to undertake their best efforts to urge the Department of Army to continue its responsibility for snow removal and street maintenance of the realigned Fort Greely. In any event, Contractor shall be responsible for snow removal and street maintenance in the cantonment area and the areas servicing the cantonment area. Contractor shall identify locations where it desires to locate its snow storage for snow removal from the cantonment area as well as the housing area. The City will either arrange for the Army to provide, or will add to this lease area(s) identified by Contractor that are reasonably adjacent to the leased area and housing area for snow storage.
- c. Contractor will be responsible for the cost of utilities reasonably necessary to serve the prison and related support buildings from the first to occur of an EDC or a LIFC. It is understood that, as between the City and the Contractor, the Contractor will bear the responsibility of service and maintenance of such utilities as a part of the cost of utilities. The City and Contractor will cooperate in any reasonable request to Contractor's redesign of the buildings or utility improvements that will have the effect of lowering the cost of providing utilities to the prison. The City and Contractor will cooperate in the efforts by the other to bring lower cost utilities to the prison, and/or community.
- d. The City will use its best efforts to work with the Army to have the Army identify an area and allow the use of such area for a disposal area for hazardous materials generated as part of the construction of the prison. In the event that is unsuccessful, then the City will make an area available to Contractor, which shall be developed at the Contractor's expense, for such purposes, reasonably contiguous to the leased cantonment area, and consistent with applicable law. That disposal area may be the landfill described in section 6.a. Any such disposal area shall be operated by the Contractor in compliance with all applicable laws.
- e. In addition to the lands and improvements identified in Exhibit A, or described by function in this Agreement, the City agrees to cooperate with the Contractor to allow it to lease without additional consideration additional land or buildings for the following purposes:

- (i) properties used for ~~core functions~~, including fire, sewer and other utilities, safety and related prison security purposes;

AM OPEN  
DOOR- HARD to  
S Hunt.

WHY NO MONEY?  
WHY NOT? FOR IT?  
Let them pay

NO →

(ii) land for new buildings, constructed to replace buildings selected in Exhibit A, where those old buildings proved insufficient or inadequate for the intended use to be exercised within one year of execution of the IGA; or

NO, NO,  
NO!!!

(iii) in the case of land and improvements in support of prison operations which are related to maintenance, prison operations, or safety, and which have been selected by other persons who have a priority or right, for a period of one year commencing at the date of Final Ft. Greely Realignment, the LRA. Contractor shall have a right of first refusal, to be exercised within thirty (30) days of written notice that the specific property or improvements are available released by the prior claimant.

The Contractor shall also have the right to purchase at fair market value such additional lands and improvements as reasonably necessary to support prison operations and to provide the amenities set forth in this Agreement.

f. The City agrees that it will select the vacant land to the south and east of the prison (as defined in Exhibit A), to the extent necessary, consistent with good correctional practices, for the expansion of the prison, and retain it for future expansion of the prison. Such land will not be put to other uses so long as the prison is still in operation by Contractor. Any expansion of the prison to this area is subject to City approval, but otherwise is subject to this Agreement.

NO  
OPEN BOOK  
w/o options

3. Ground Lease Rent.

a. As an initial payment of ground lease rent, Contractor shall pay to the City the amount of \$500,000, in eight quarterly installments. The first installment shall be due within 5 business days of adoption of this Agreement by the City council, including any time where reconsideration can be noticed. Once a total of \$250,000 has been paid, no further installments will be due until the IGA between the State of Alaska and the City of Delta Junction is signed that is reasonably satisfactory to all parties. Subsequent installments shall be due each quarter, thereafter, or if a quarter has passed since the last payment, then five (5) business days after the IGA is signed, and each quarter, thereafter, until paid in full.

b. Additional ground lease rent shall be due upon operation of the prison. Beginning upon the Initial Occupancy Date, the Contractor shall pay, on a quarterly basis and in arrears, 5% of the per diem rate for beds paid for under the IGA. On an annual basis, however, this payment shall not exceed \$1,022,000.00 (the "Cap"). The amount of the Cap shall increase on an annual basis: (i) by the rate of any consumer price increase received under the IGA and (ii) by 5% of the per diem rate received for all beds served under the IGA in excess of 1,050 beds (but without double counting any CPI increase).

NO +  
E.N. ...

WHY  
A CAP?

NOTE NO AVAILABLE  
BEDS BUT ONLY  
THOSE SERVED

↑  
COMMIT TO  
BEYOND THIS!!!

c. Any expansion of the prison beyond its initial constructed capacity (approximately 1,050 beds) shall require the City's prior approval.

THIS IS MAX →

WHY NOT?

OPIUM BOOK →

d. The City will not levy any other fees or charges upon Contractor for any of the other lands, or property conveyed, or leased, or services provided in connection with the prison other than what is set forth in this Agreement, except the City shall be entitled to pass through to the Contractor the direct expenses incurred by the City to provide such land, leases or services as a result of unforeseen expenses not addressed in this Agreement.

e. The financial terms of this Agreement, including Contractor's maintenance obligations of the infrastructure outside of the prison, are subject to be reopened and renegotiated in the event Fort Greely is annexed by a governmental unit that exercises the power to levy real estate taxes on the Contractor's prison operation or sales taxes on the proceeds of the IGA or this contract or similar taxes, which would affect the financial cost of performance. The goal of the re-opener would be to adjust payments and reflect the impact of the tax on the cost of operation to reasonably preserve the intent of this Agreement.

4. Indemnity and Allocation of Risk of Operation.

a. Contractor agrees to indemnify, hold harmless, and defend the City from liability to other persons from any claims or actions that may be asserted or filed that arise or relate to this agreement, the resulting sole source procurement, or the IGA. This includes claims from potential bidders' and citizens' suits. For the purpose of this section, "City" includes individual city council members and city officers. In the event the resolution of a lawsuit results in a finding that the contract with the City is void then Allvest and or Contractor may participate as a bidder in any subsequent procurement. The City will use its best efforts to cause such procurement to be put out to bid within sixty days. All of Contractor's work product shall remain Contractor's sole property, and the City shall cooperate in protecting such work product. If the project is stopped because of a finding of voidness, certain improvements may have been undertaken which cannot be returned to Contractor. Under the terms of any subsequent procurement, the successful bidder will be required to reimburse Contractor for all benefits conferred and work done on the project which cannot be returned and for which compensation is allowable under Alaska law, and the indirect costs and related overhead incurred in such efforts, including but not limited to the payments made to the City in section 3. Contractor shall be required to provide an accounting of matters it maintains are subject to reimbursement in a timely manner so as not to delay the procurement process.

WHY?

NO!!

NO!!

NO!!

b. The Contract between the City and Contractor shall provide that Contractor will indemnify, hold harmless and defend the City from all liability and casualty losses arising from Contractor's construction and operation of the prison. Contractor will arrange for payment and performance bonds during construction of the prison.

Now you know FOR SURE ALLVIST IS BUYING OUT THE CITY COUNCIL!!!

IS THIS ENOUGH? WHY NOT \$5,000,000?

- c. Contractor will carry Comprehensive General Liability insurance with a minimum coverage of \$1,000,000, Worker's Compensation insurance in statutory limits, Professional/Employer's Liability insurance minimum coverage of \$1,000,000 per occurrence for bodily injury, and during operation, Excess Liability insurance of \$9,000,000. The City shall be named as additional insured and notification shall be supplied 10 days prior to any cancellation. This insurance is to be carried by one or more insurance companies authorized to transact business in Alaska. Contractor shall furnish the City with certificates of all insurance required by this Agreement.
- d. In the event a lawsuit is filed against the City arising from this Agreement, the sole source procurement, or the findings by the City that justify the sole source procurement or the IGA, the Contractor shall reimburse the City for the reasonable cost of its independent attorney's fees incurred in conducting a joint defense. The City agrees the Contractor may take the lead in such litigation and shall coordinate defenses to avoid duplication of effort as is reasonably possible.

WHY A JOINT DEFENSE

5. Fort Greely Housing.

- a. The City agrees to transfer fee title to Contractor all housing units described in Exhibit B made available by the Army for disposal by the City as LRA. In the event Contractor requires the use of the housing before title can transfer, the City agrees to cooperate to seek LIFCs of the property pending transfer of title. The City agrees that housing to be conveyed to and retained by the City or reconveyed to other third parties under Exhibit B may not be used as housing for prison employees for the five year period following Initial Occupancy. ~~for~~ The buildings identified in Exhibit B for lease by the City to the Contractor shall be leased at fair rental value and to the Contractor's employees only.
- b. As consideration for the purchase, Contractor agrees to pay the amount of \$2 million dollars, payable at closing and passage of title, and adjusted pro rata if less than all units close at one time. If less than all of the housing described can be conveyed to the Contractor, the price to be paid will be pro rated appropriately.
- c. Contractor agrees to cooperate with the City in making housing available for use by the Base Missile Command Group should that reuse of Fort Greely develop in the future.
- d. The Contractor will expend the funds necessary to survey the units to be conveyed to it to assist in the conveyance. All units, including those transferred

KEEP THE HOUSING

NO, NO NO!!!  
WHY NOT?  
THIS IS DUMB!!!  
THIS IS A GOOD REASON FOR A COMPETITIVE BID!!!

THIS JUST PROVES THAT THE IDEA IS NOT GOOD

to third parties, will be members of an association to handle common area expenses related to the housing unit area.

*OR THE CONTRACTOR SAYS HERE*

6. Amenity/ Infrastructure Improvements. Certain projects are required to allow the prison to go forward and to ameliorate the impact on the community, which the Contractor agrees to undertake.

*THAT HE WILL NOT HANDLE COMMON AREA EXPENSES BUT HE LIVING THROUGH MIGHT BE A MEMBER OF AN ASSOCIATION TO DO THE WORK.*

a. The City and Contractor will cooperate on whether the Army landfill can be operated by the Contractor. In the event it cannot, the Contractor will build a State approved and licensed landfill. The new landfill shall be State approved and licensed, but not in excess of the standards for a Class II municipal solid waste landfill. The landfill shall belong to the City but the Contractor shall operate it and indemnify the City from any liability associated with its operation. So long as Contractor is the operator of the prison, residents of the City of Delta Junction and Big Delta Precinct, either directly or through a commercial operator selected by the City, will be allowed to use the landfill at no charge subject to reasonable time and material restrictions imposed by Contractor and licensing requirements. The Contractor shall have the right to negotiate with any commercial operator, the obligation to maintain the landfill in return for tipping rights. If Contractor ceases to be operator of the prison, it shall have the right to close the landfill so as to limit its indemnity and liability obligations.

*THIS COORDINATION SHOULD BE DONE BY THE CITY, NOT THE CONTRACTOR!!!*

b. The Contractor shall assist the City in efforts to locate grants or other funds to support the cost of closing the City's existing landfill. At the City's option and at the City's expense, the City may utilize the Contractor or its vendors for the construction requirements associated with capping and closing the existing landfill. The City shall indemnify, hold harmless and defend the Contractor from all liability, including without limitation liability for environmental risks, save liability arising through its sole negligence, incurred in those construction efforts.

c. Contractor shall provide a training academy at Delta Junction from time to time to train residents to serve as correction officers. The first training session shall be conducted sufficiently in advance of the prison opening to allow residents of the Delta Junction area to take full advantage of potential employment opportunities. Contractor will use an employment preference for the hiring of qualified permanent and temporary employees of the prison in the following order of priority: (1) those displaced directly by the Fort Greely closure; and (2) those residents living within a fifty mile radius of Fort Greely gate.

*HA, HA, HA, HA, HA*

*Buy me + the city*

d. The Contractor and the City shall each use their best efforts to allow the Contractor and the City to use the Fort Greely sewage lagoon, and to continue Army operation of the sewage lagoon.

*HA, HA, HA!*

Contractor shall use its best efforts to assist the City and the Delta Greely School District in seeking other funding for a new high school with a pool to be located

on a site identified by the City. These efforts will begin this legislative session upon completion of the IGA.

*ANOTHER  
BUY OFF OF  
THE CITY!!!*

f. The Contractor shall direct and undertake a 3000 square foot (plus or minus 5%) expansion of the City Hall, on plans to be agreed upon mutually, with an estimated cost not to exceed \$450,000. The improvements shall not begin before an IGA is signed by the state and construction shall take place when the construction of the prison begins, but shall proceed diligently until completed.

The Contractor shall use its best efforts to purchase the needs of the prison for food and agricultural products from those available in the City of Delta Junction or within a 50 mile radius of the Fort Greely gate.

h. Contractor shall request that the project construction contractor, to the extent consistent with a sound project and project budget, use local subcontractors and laborers on the construction of the prison project.

i. The City, at its further discretion, may establish a Development Fund from the proceeds from the purchase of the housing units. If a Development Fund is established, Contractor agrees to provide consulting assistance during the pendency and duration of the construction phase of the project to solicit grants for such fund.

7. Other Terms and Conditions.

a. Effective at the date of this Agreement, subject to any reconsideration, the City, Allvest and Contractor release each other from any and all claims that arise from the terms and conditions of the March 13, 1998, Coalition/Allvest Agreement, including claims for cost and attorney's fees and consequential injury. Each party acknowledges that promises and the consideration paid in settlement is in compromise of disputed claims and do not constitute admissions of liability by any of the undersigned parties. The rights of the parties shall be determined by this Agreement and not any preceding agreements, rights, or understandings. The City shall cooperate in securing a separate waiver from the Coalition of any claim to separately enforce the terms and conditions of the March 13, 1998, Coalition/Allvest Agreement.

*THE CITY  
WOULD WIN ANY  
LAW SUIT!!!*

b. Subject to the requirements of HB 53 and the IGA, the membership of the Contractor may be assigned, without the City's prior consent, so long as the Contractor remains a comparable or larger prison management company of similar or greater experience.

*Authorizations  
to sell out  
to another  
PRISON*

c. The parties recognize that they may have to revisit and modify provisions of this Agreement to meet requirements of the State of Alaska, the IGA, and the requirements for tax exempt municipal revenue bond financing of the construction of the prison. The parties agree to negotiate such revisions in good faith,

preserving to each to the greatest extent practicable, the economic benefits of this Agreement to each party.

d. The City acknowledges that the passage of the ordinance approving this settlement agreement will have the effect of repealing by implication specific provisions of the City of Delta Junction Code that govern the process by which the City procures services, disposes of real and personal property and leases land, and other provisions necessarily inconsistent with the procedures and performances called for in this Agreement. The City agrees, that it will, by subsequent ordinance, explicitly clarify the extent of its repeal by implication of these other ordinances.

e. Each performance here is conditioned upon the cooperation and consent of the Army to these transactions. In the event such consent is withheld, the parties shall adjust their performances to preserve as best as possible the benefits and obligations of this Agreement keeping in mind that the goal of the Agreement is the creation of a functioning prison following the realignment of Fort Greely.

City will cooperate with the Contractor to allow the Contractor to select that personal property associated with buildings to be conveyed to the Contractor under Exhibit A and Exhibit B which is available for selection under applicable law through the reuse process, that is reasonably necessary to prison operations or the housing units which Contractor will take under this Agreement. In addition, and subject to applicable federal law, Contractor shall have priority rights to select all personal property reasonably necessary to the prison operations, or associated with the housing units purchased.

g. City agrees that it will use its best efforts to negotiate an IGA for the prison by May 1, 1999. ~~The City and Contractor shall establish a joint working team to establish the negotiating strategy and insure timely completion of the IGA.~~

h. The City and Contractor generally covenant to use their best efforts to support the successful completion of the prison and its operation and to cooperate with each other to accomplish these common goals.

i. No waiver of any condition or covenant of this Agreement shall be deemed to imply or constitute a further waiver of the same or any other condition or covenant, and nothing contained in this Agreement shall be construed to be a waiver of any right or remedy in law or otherwise.

j. This Agreement and the covenants and agreements of the parties shall be binding upon and inure to their successors and assigns.

k. In the event any clause, term or condition of this Agreement shall be determined to be illegal or unenforceable under any applicable governmental laws, orders, rules or regulations, this Agreement shall remain in full force and effect as to all other terms, conditions and provisions.

*NO -  
IF THE ARMY SAYS  
NO - WE SHOULD HAVE  
COMPLETE FREEDOM TO  
DO AS WE PLEASE!!  
A GIVE ARMY  
OF 1 TO 2 MILLION  
OF PROPERTY WORTH  
NOTHING!!*

*W/1/3  
SIGN  
YOUR  
LIFE  
AWAY  
COVER  
ALL*

*COVER  
ALL*

- l. This Agreement may be executed by the parties in one or more counterparts.
- m. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Alaska.
- n. The headings used in this Agreement are inserted for convenience and are not to be considered in the construction of the provisions of this Agreement. This Agreement constitutes the entire agreement of the parties and may be amended or modified only in writing signed by both parties, and all prior agreements or understandings between the parties, either oral or written, are superseded by this Agreement.

*N.Y., NO. 111  
Must Be  
Oral  
DMK  
Agreement*

DATED: \_\_\_\_\_

CITY OF DELTA JUNCTION

\_\_\_\_\_  
Roy Gilbertson, Mayor

ATTEST:

\_\_\_\_\_  
Pamela Ellis, City Clerk

DATED: \_\_\_\_\_

ALLVEST, INC.

\_\_\_\_\_  
William C. Weimar  
Chief Executive Officer

DATED: \_\_\_\_\_

DELTA CORRECTIONS GROUP, LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Additions/Clarifications to Exhibit A:**

Basic footprint

Building 804

30 acres to the south and east of the basic footprint

Land necessary for snow storage

Leasehold necessary for land for the Landfill described in section 6.a

Training Facility

**Exhibit B**

**Other Buildings and Improvements**

To Be Conveyed to Contractor:

2 4 8 8 8 6 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8  
805, 806, 808, 809, 810, 812, 813, 814, 816, 817, 818, 825, 826, 827, 829, 830, 831, 833, 834,  
835, 854, 855, 856, 862, 863, 864, 875, 876, 877, 887, 888, 889, 895, 896  
3 8

In the event that the prior selection of 850, 851 and 852 is not used for its stated purposes by the date of Final Ft. Greely Realignment, then 850, 851 and 852.

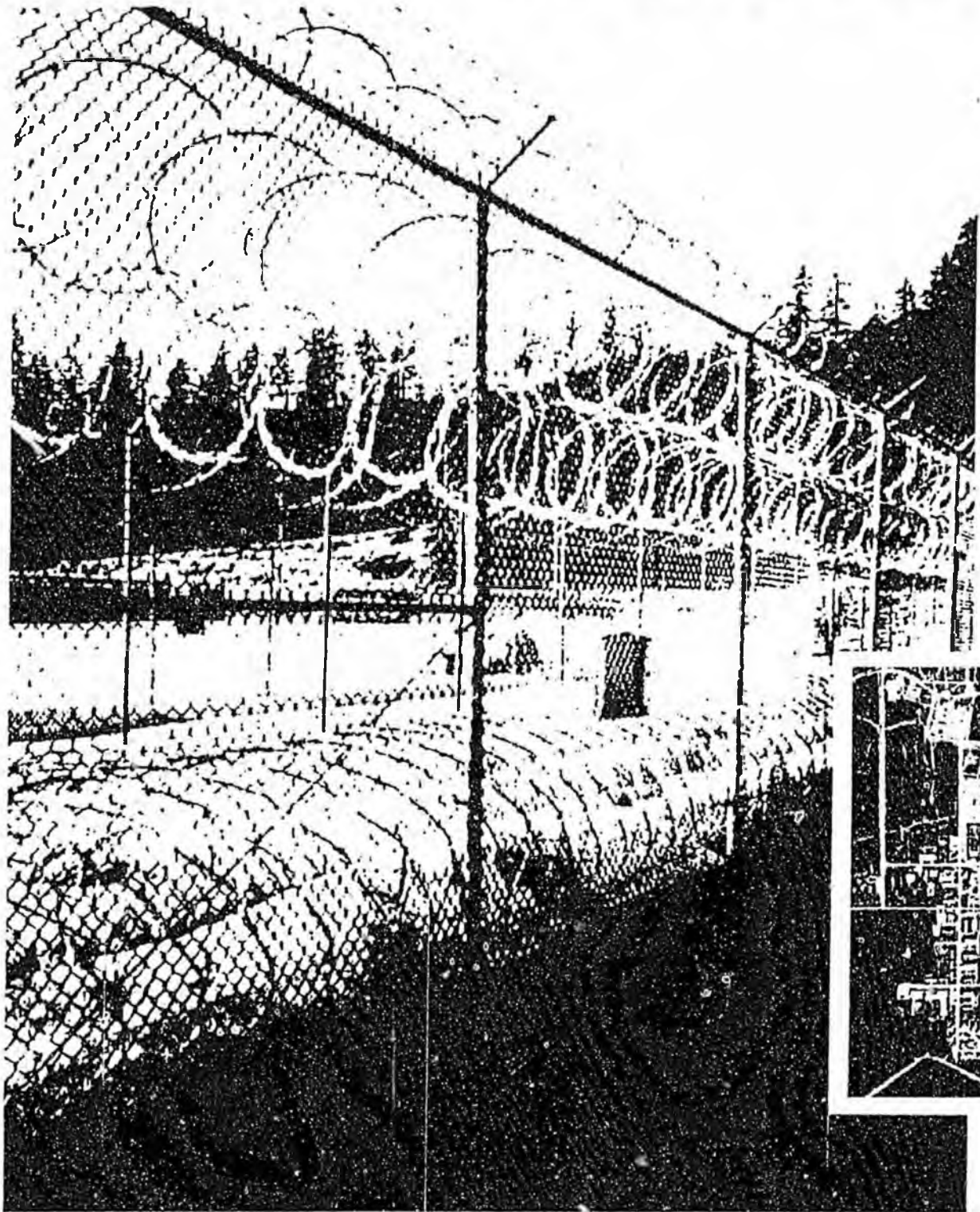
To Be Retained by City without obligation of lease to the Contractor:

All buildings in 900 series  
Two duplexes in the 700 series

To Be Retained by the City Subject to a Lease Option to the Contractor at Fair Rental Value: why?

700 series, two single family residences  
700 series, three duplexes

802 - 2  
820 - 8  
821 - 8  
822 - 8



**DELTA JUNCTION/  
FORT GREELY  
PRISON  
FEASIBILITY  
WORKBOOK**

---

**CONSULTANT TEAM**

**PROGRAM MANAGEMENT:**  
RISE ALASKA  
830 H STREET  
SUITE 101  
ANCHORAGE, AK 99501

**ARCHITECTURAL:**  
ECU HYER INC. ARCHITECTS  
101 WEST BENSQ I  
SUITE 101  
ANCHORAGE, AK 99503

**FINANCIAL:**  
HUDSON AIPF, LLC  
730 FIFTH AVENUE  
NEW YORK, NY 10019



JANUARY 1999

# Delta Junction/Fort Greely Prison Feasibility Workbook

## Purpose of this Workbook:

- Respond to 1998 legislative House Bill 53.
- Outline the history and context of the proposed private prison project at Fort Greely.
- Document the study effort and the Delta Junction community discussions to respond to the question "What would it take to successfully operate a private prison at Fort Greely?"
- Test feasibility based on the governor's five evaluation criteria: safety; best correctional practices; compatibility with statewide and regional corrections needs; community participation and capacity; cost-effectiveness.
- Serve as an informational briefing in support of the decision-making process of 1) the Department of Corrections and other State agencies; 2) the community and City of Delta Junction; 3) the legislature; and 4) other interested parties.

# Delta Junction/Fort Greely Prison Feasibility Workbook

## COMPATIBILITY WITH STATEWIDE AND REGIONAL CORRECTIONS NEEDS – Mission

*In partnership with the citizens of Alaska, protect the public from repeat offender crime by using the best correctional practices available to provide a continuum of appropriate, humane, safe and cost effective confinement, supervision and rehabilitation services. The Department will carry out its responsibility while respecting the rights of victims and recognizing the dignity inherent in all human beings. (DOC Mission Statement)*

The Department of Corrections is challenged to respond to the overcrowding of the State's prisons and regional jails. Additional prison accommodations that could be provided through the portion of House Bill 53 relating to the use of Fort Greely would reduce the State's prison crowding.

Since 1987, Alaska's prison population has grown by 45.5 per cent. In 1997 alone the growth rate was one of the highest in the nation. According to the Bureau of Justice Statistics, Alaska had a sentenced (incarcerated) prison population of 4,220 at the end of 1997.

The total number of prisoners under the jurisdiction of federal or state adult correctional authorities was 1,244,554 at year-end 1997.

Nationally, the rate of incarceration in prisons at year-end 1997 was 445 sentenced prisoners per 100,000 residents up from 292 in 1990. . . . The Alaska rate of incarceration was 420 per 100,000...

Prisons generally require reserve capacity to operate efficiently. Dormitories and cells need to be maintained and repaired periodically, special housing is needed for protective custody and disciplinary cases, and space may be needed to cope with emergencies....

"Prisoners in 1997: The State and Federal Picture." *Alaska Justice Forum*

# Delta Junction/Fort Greely Prison Feasibility Workbook

## COMPATIBILITY WITH STATEWIDE AND REGIONAL CORRECTIONS NEEDS – Legal Compliance

Correctional systems are dynamic and evolving institutions continually searching for better methods to serve and protect the public. They are also highly controlled and regulated through constitutional provisions, statutory laws, published standards, and long established practices. The proposed correctional facility at Fort Greely must meet all applicable laws and codes.

Due to the reuse of existing buildings that were not constructed in compliance with building codes or prison standards, and the remoteness of the site, a prison at Fort Greely will likely not meet many correctional standards and practices. This will require mitigation in terms of bringing the facility up to code, as well as perimeter fencing, surveillance technology, staffing and training.

Compliance with binding laws and governing codes will likely have a significant cost impact in the development of prison infrastructure and management policies and issues. The following table lists some of the many laws, codes or governance documents which must be considered and incorporated into the new facility.

Law/Code or Governance	Mandatory	Best Practice	Cost Implication		
			Yes	No	Uncertain
HB 53	•		•		
BRAC/ILRA	•				•
MOU/RFP for Private Prison	•		•		
Clery Settlement	•		•		
ACA Guidelines		•	•		
Uniform Building Codes	•		•		
EPA Standards	•		•		
ADOC Policies	•	•	•		
ADA Standards	•		•		

# Delta Junction/Fort Greely Prison Feasibility Workbook.

## COMPATIBILITY WITH STATEWIDE AND REGIONAL CORRECTIONS NEEDS – Population Management Plan

Alaska operates a unified prison/jail system. In all but five states, local governments are responsible for the cost and care of pre-trial felons and all misdemeanants, while state government assumes responsibility only for convicted felons. But in Alaska the state is responsible for the care and custody of all criminal offenders. This unified state system subjects Alaska's corrections populations to more variables than most state governments confront. Population management also is more complex—and expensive—due to Alaska's huge land mass and the geographic isolation of many communities.

The objectives of the State's population management plan are as follows:

- Reduce the number of low-risk offenders entering jails and prisons.
- Increase the number of low-risk offenders exiting jails and prisons.
- Expand bedspace capacity in regional correctional institutions.

Approximately 900 Alaskan prisoners are currently being held in facilities outside of the State. Recent forecasts suggest that Alaska's prison and jail populations will increase 4-8% each year, creating a need for 200 to 300 new beds each year. By year-end 2002 or early 2003, the staff will have 800 or more medium-security male prisoners who could be housed at Fort Greely.

Currently, prison and jail facilities exist in Nome, Fairbanks, Palmer, Bethel, Anchorage, Kenai, Seward, Juneau, Sutton, and Ketchikan. These locations offer population centers with a broad range of community services and utilities, including Alaska State Courts, medical facilities, law enforcement, educational opportunities, and the basic community infrastructure elements of sewer, water, and electricity. In addition, these regional centers provide opportunities for community service, institution/industry jobs and family visits, which are critical to enhance community integration and the capacity for economic self-sufficiency.

## Delta Junction/Fort Greely Prison Feasibility Workbook

### COMPATIBILITY WITH STATEWIDE AND REGIONAL CORRECTIONS NEEDS – Population Management Plan *(continued)*

State statute dictates that prisoners must be released to the point of arrest. Providing for prisoner release will likely result in prerelease transfer to a lower security institution or community residential center. Wherever the release activity occurs, in-custody prisoner transfer from Fort Greely to Fairbanks will be necessary. This transfer of sentenced prisoners will likely require additional holding cells in Fairbanks, presumably at the Fairbanks Correctional Center.

The Delta Junction/Fort Greely site does not supplement or enhance DOC's regional approach to facility siting. The proximity to Fairbanks (100 miles) and the lack of significant regional population, infrastructure, and services weigh against the site as a regional hub.

Summary: While compliance with state and federal laws could be achieved, the military facilities, remote site, small population and limited resources mean that best corrections practices and policies cannot be met. Mitigation to provide a satisfactory level of service to the State of Alaska will require a larger, more highly trained staff, progressive prisoner programs, importing professional staff, perimeter fencing and surveillance technology, and vigorous compliance monitoring by the State.

GARY A. ZIPKIN  
LOUIS R. VEENMAN  
JAMES D. LINXWILER  
JAMES D. DEWITT  
JOSEPH J. PERKINS, JR.  
GEORGE R. LYLE  
MICHAEL S. MCLAUGHLIN  
GREGORY G. RILVEY  
SUSAN M. WEST  
BARBARA F. FULLMER  
JOAN E. ROHLT  
MICHAEL K. NAVE  
NELLEENE A. BOOTHBY  
KARI C. KRISTIANSEN  
ROGER P. J. BELMAN

LAW OFFICES OF  
**Guess & Rudd**  
P.C.

100 CUSHMAN STREET  
SUITE 500  
FAIRBANKS, ALASKA 99701-4850  
TELEPHONE (907) 462-8080  
FACSIMILE (907) 462-7015

510 L STREET  
SEVENTH FLOOR  
ANCHORAGE, ALASKA 99501-1084  
TELEPHONE (907) 793-2200  
FACSIMILE (907) 793-2299  
W. LUGENE QUEBB 1932-1976  
JOSEPH RUDD 1933-1978  
FRANCIS E. SMITH, JR. 1941-1991

May 4, 1999

**VIA FACSIMILE**  
**(907) 465-2819**

Pete Kott  
Chair House Judiciary Committee  
State Capital, Room 204  
Juneau, Alaska 99801-1182

Re: Senate Bill 141  
Time line developed by Richard J. Crane  
Our File No. 11025.001

Dear Chairman Kott:

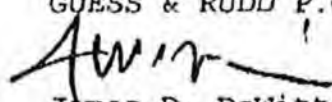
As requested by the House Judiciary Committee during my testimony on behalf of the City of Delta Junction, please find enclosed the chronology developed by the City's consultant, Richard J. Crane, showing his estimate of the time required to obtain a contract through a competitive request for proposal process.

Representative Greene asked when the City received Crane's timeline. Could you please advise him for me that the time line was received at my office on February 24, 1999 via facsimile.

If there is other information or assistance I can furnish to the Committee please do not hesitate to ask.

Sincerely yours,

GUESS & RUDD P.C.

  
James D. DeWitt

JDD/jsw

Encl: as stated  
cc: Mayor Roy Gilbertson (w/o encl.)  
Brian Rogers  
David Rogers

## DELTA JUNCTION PROJECT TIMETABLE

- February 22 - March 5 RC to prepare initial draft of RFP
- March 8 - March 29 Alaska DOC and Guess & Rudd to resolve policy issues raised by initial draft
- April 1 - April 18 RC to prepare second draft of RFP
- April 19 - May 17 Guess & Rudd, DOC and DJ to review RFP
- May 20 - June 1 RC to make final revisions and forward camera-ready copy of RFP to Guess & Rudd
- June 10 Release of RFP (RC to provide list of private corrections companies)
- June 11 - August 10 Preparation of proposals by vendors
- June 10 - June 30 RC to prepare evaluation instruments
- July 1 - July 23 G&R, DJ, and DOC to review and refine evaluation instruments
- June 15 - June 30 DJ and DOC to select evaluation team
- July 26 - August 6 Training of evaluators
- August 10 - Sept. 20 Evaluation of proposals
- \_\_\_\_\_ Oral presentations/site visits --- to be decided
- Sept. 24 Announcement of selection
- Sept. 27 - August 28 Negotiation of contracts:
  - Lease of facility to DOC
  - Development contract with selected contractor
  - Management contract with selected contractor

5/4

## Journal Text



04/27/98 House Journal Page 3266

HB 53

The following letter, dated April 24, 1998, was received:

04/27/98 House Journal Page 3267

HB 53

"Dear Speaker Phillips:

On this date I have signed the following bill and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 53(FIN) am S

"An Act expressing legislative intent without the force of law concerning correctional facility space and the Cleary v. Smith case; adding, as a general power of municipalities, the power to provide for, and enter into agreements concerning the confinement and care of prisoners; relating to authorizing the Department of Corrections to enter into agreements to lease facilities for the confinement and care of prisoners with the City of Delta Junction and with the Municipality of Anchorage; and providing for an effective date."

Chapter No. 15, SLA 1998

[Effective Date: April 25, 1998]

This bill addresses three different issues of importance to the Department of Corrections in Alaska. First, it expresses the Legislature's intent to work with the department to reduce the population in state prisons to the emergency capacities established by the court in the class action suit Cleary v. Smith, 3AN-S81-5274 Civ. Indeed, the Legislature has funded the acquisition of more halfway house beds, more contract prison beds out of state, and other reasonable and cost-effective alternative means of confinement. As a result of this, the State of Alaska has been able to stop incurring fines for violations of the court's order in Cleary, for the first time since 1994.

Second, this bill authorizes the state to enter into a lease agreement with the Municipality of Anchorage for a new 400-bed jail facility. The bill specifies that capital costs may not exceed \$56,000,000 and that the location selected for the facility must be within one mile of courthouse in Anchorage or within one mile of the Cook Inlet Pretrial Facility.

04/27/98 House Journal Page 3268

HB 53

The third part of this bill authorizes the state to enter into an agreement with the City of Delta Junction to lease space within a correctional facility on the realigned Fort Greely military reservation. The lease, if entered into, must be for a minimum of twenty years and provide a minimum of 300 medium security prison beds. The City of Delta Junction is required by the bill to use a process similar to that established in the state procurement code to enter into an agreement with a private third-party contractor for the operation of the correctional facility. A letter of intent accompanying the bill specifies that the cost per prisoner per day, inclusive of capital expenses, is not to exceed \$70.

As we stated time and again during this legislative session, proposals for the expansion of our jail and prison facilities in Alaska must be measured on the basis of:

- \* Safety,
- \* Comprehensively meeting statewide and regional needs,
- \* Consistency with best correctional practices,
- \* Involving community participation (government to government), and
- \* Cost effectiveness.

This legislation represents a good first step toward meeting our state's needs, but it is by no means complete or comprehensive. Our prison and jail plan, which we have presented to the Legislature, calls for expansions of our current system at Bethel, Sutton, Palmer, Fairbanks, Kenai, Juneau and Barrow. This session I submitted legislation authorizing the first phase of the plan for the most pressing expansion needs in Bethel and Sutton in addition to the Anchorage jail replacement. Only the Anchorage jail has been addressed in this legislation. This legislation is also incomplete with respect to addressing the terms of the leases and the process to be followed by the parties. In signing this bill, I am committing the state to fill in these blanks with provisions that embody the principles of good government.

04/27/98  
HB 53

House Journal

Page 3269

For the new Anchorage jail, this means reaching consensus on the terms of the lease, joint approval over the design and construction of the facility, resolution of issues surrounding the cost of care for municipal prisoners, and participation by the state in the financing process for the project.

For a prison at Fort Greely, this means many of the same things, but also a commitment to a government-to-government relationship between the state and the City of Delta Junction on the ownership, construction and operation of the proposed facility. The transactions

contemplated by this legislation are extremely complex -- the State of Alaska is to enter into an agreement with a small community for the care and custody of at least 800 prisoners at a converted army post; the City of Delta Junction is to arrange for the conversion of the post into the largest prison in the state and then select an operator for the pri

There are several critical components necessary to move forward on this project. One is the necessity for Delta Junction to obtain ownership of the land and facility for as long as it is used for prison purposes. Additionally, it is not clear who is to build the prison. The state is not authorized to build it and neither the City nor the re-use organizations have the capability to undertake such a project. Thus, considerable state oversight would be required of any private contractor building a prison to ensure a safe, adequate, cost-effective facility. As the state's lease payments will undoubtedly be used in the financing of construction, the state must also be involved in various parts of the financing to protect its lease interests. The city will also need to use an open and fair competitive process to select the operator of the prison.

The state recognizes the tremendous hardship imposed on Delta Junction by the closure of the Fort Greely post and the state is committed to working with Delta Junction for an effective re-use plan for the post. At the same time, the costs of operating a prison at Fort Greely must be fiscally responsible.

04/27/98

House Journal

Page 3270

HB 53

This legislation represents an important first step toward solving our prison and jail overcrowding crisis. However, if we are to finally and fully resolve our corrections problems, we must continue to work together over the next several years to build more prison and jail beds, find alternatives to incarceration where appropriate, and most importantly, address the early childhood and educational factors that we know lead to future inmate populations.

Sincerely,  
/s/  
Tony Knowles  
Governor"

Bill Root:

[Return to BASIS Main Menu\(20th Legislature\)](#)

BASIS Last Updated 12/31/98

Amendment

OFFERED IN THE HOUSE  
TO: HCS CSSB 141 (L&C)

BY REPRESENTATIVE

Page 3, line 17 is amended as follows: delete the [.] and insert a [,] and the following language:

“so long as the municipality provides for procurement procedures substantially similar to the competitive sealed bidding or competitive sealed proposal requirements of AS 36.30.100-190 or AS 36.30.200-270 respectively.”

*not offered*

Amendment

#1 5/4

OFFERED IN THE HOUSE  
TO: SB 141

BY REPRESENTATIVE

*Rumbowski*

*Delete Section 3.*

*lines 19 through 26*

*adopted*

House Judiciary Committee  
Representative Pete Kott, Chairman  
Representatives Green, James, Murkowski, Rokeberg, Brice, and  
Kerttula

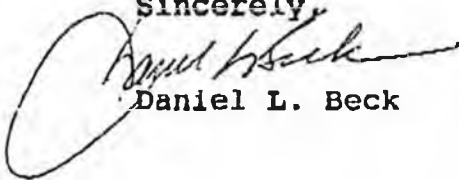
Dear House Judiciary Committee Members,

I am writing to support passage of SSB 141. As a twenty three year resident of Delta Junction, I am concerned with the economic stability and future of our community. We have been in the process of finding a re use of Ft. Greely since the BRAC announced closure over four years ago. The only viable re use has been a prison. Design Build is a concept that fits our situation to a tee. No other corrections groups have stepped forward to indicate an interest. The Planning Local Re Use Agency worked with Alvest over a long period of time to develop our Re Use Plan. In the interest of the common sense, please move this bill on to the floor of the House and support it.

There has been a very vocal group in Delta who oppose the prison. It is my guess is that there are 30 to 40 residents in this group. They are fanatical in their opposition. In no way, shape, or form do they represent the majority of residents in the local community. We have voted on this issue twice. Both times the community supported a private prison. In fact after the City Council was able to negotiate proposed terms many opponents changed their minds.

We have a chance to pull ourselves up after the closure of Ft. Greely. Please support us in that effort.

Sincerely,



Daniel L. Beck (Superintendent of Schools)

Attn: Dara Tolk  
MSNBC

From Wayne Carpenter  
907 - 895 - 4071

Citizens for Positive Reuse (CPR) is an *ad hoc* committee of Delta residents who are fighting the attempt to establish a private correctional facility at Fort Greely.

We have been reluctantly forced into litigation to achieve this goal. Throughout the attempt to cite a prison in our community we have been denied our basic right of adequate representation. A non-elected and non-representative body, the Delta Greely Community Coalition, was the initial driving force behind the negotiations. Even when the State finally turned to the local Delta City Council it failed to recognize that approximately 70% to 80% of Deltans live beyond the city limits and are not represented by that body..

We will argue in court that the process has been flawed. First, we believe that there are legal problems with the structure of HB 53. We also believe that in their haste to privatize the Alaska corrections system policy makers have ignored some glaring problems. For example, when Governor Knowles signed HB 53 he affirmed the five criteria that the Department of Corrections uses for citing a prison. None of the five criteria can be satisfied at Fort Greely. In fact, on page 29 of the official report is the following statement: "While compliance with state and federal laws could be achieved, the military facilities, remote site, small population and limited resources mean that best corrections practices and policies cannot be met." And finally, State policy makers have not lived up to their responsibility because they have literally dumped the problem of setting State policy onto the City Council of Delta Junction.

We have filed formal complaint in the Alaska Superior Court in Fairbanks. In that complaint are five specific charges. One, the Delta Junction City Council violated its own ordinances pertaining to the procurement process. Two, the City Council did not demonstrate a basis under the State procurement code for seeking a single source agreement. Three, even if the procurement process were invalid, the City Council did not follow the established procedures for securing a sole source agreement. Four, the sequence of events is in the wrong order; i.e., H.B. 53 says that the State and the City may enter into an agreement to allow the

City to negotiate a further agreement with a private contractor. Fifth, the City Council is usurping a State power expressly granted under AS 33, 30, 03

If we are successful with our legal complaint we hope to move the dialogue back to the correct state forum, the legislature and the administration.



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

---

4041 B STREET • ANCHORAGE, ALASKA 99503  
P.O. BOX 210609 • ANCHORAGE, ALASKA 99524-0609  
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

5. May 1999

To  
The House Judiciary Committee  
Chairman Representative Pete Kott      FAX 465-2819

Subject: House CS for CS for Senate Bill No. 141 (L&C)

Dear Mr. Chairman and committee members:

As a follow-up to my letter on this bill earlier today, I would like to state that AGC of Alaska has no objection to this bill if Section 3 is removed. (or sufficiently modified to address our stated concerns).

Sincerely,

Heinrich Springer  
Exec. Director



MAY-23-1999 06:41

L10 DELTA JCT

987 895 5017 P.02



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141, dated 5/4/99 committee name  
 bill/ subject

When you start allowing retroactive laws, you allow people to break the law and not be accountable for their actions. Didn't we just go through a year of shaking our heads wondering how the President could break the law and not get punished? SB141 (though not on the scale) is the same thing, except SB141 will say the law wasn't broken - no accountability for their original illegal actions. When the coalition signed the original agreement it was known there were laws against "sole source". (There were enough people involved who have worked for government or been around government entities enough to know that contracts go through the bid process.) The City Council continued with the sole source (they should have known better also). Now because a lawsuit has been filed they (city council, special interest groups, Allvest) want SB141 passed so they don't have to account for their illegal actions. . They are not sorry they broke the law, just sorry they were caught.

This also robs the people of due process. This bill acts only in the interest of one group of people and one company (Allvest). How can we expect to keep our elected officials free from the influence of big business if we pass laws that encourages that type of corruption. Passing a law to make an exception to a law after the original law was broken is morally reprehensible. This sets a dangerous precedent.

Signed

May Ellen Lucas

Representing (Optional)

PO Box 1085

Address

Delta Junction, AK 99837

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
 committee on SB 141, dated 5/4/99  
 bill/subject

Hello,

My name is Ed Larson and I own the IGA FOOD CACHE and Polar Roller Express INC. trucking business. I am very concerned about the progress or "the lack of" that the proposed Prison is running up against.

We as a town, have voted "FOR" the Prison twice now and we still have the minority attempting to sway the support of the state government.

Out of the 52 employees I have all but 4 are in favor. (7.69%) NO 92.31% YES! We need to move ahead in order to stabilize our economy.

Please help us move ahead now

Sincerely,

Signed:

Ed Larson  
 Testifier

Representing (Optional)  
P.O. BOX 829

Address  
DELTA JCT. AK 99737

Phone No.  
(907) 895-4653



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141, dated 5/4/99  
 bill/ subject committee name

I would like to voice my opposition to passing SB 141 with the added clause capriciously tucked at the end in order to allow the go-ahead on a sole source contract between Allvest and the City of Delta Junction. This law, if passed sends the message that one can just alter the original plan by just adding a clause that benefits whoever stands to gain. I fear that to pass this bill with its new clause will be the start of a new trend in "making exceptions to the rule" to benefit a few who stand to lose big or win big depending on which way the legislative wind blows.

Please keep the integrity of our legislative lawmaking practices strong for the common good for all and not pass this bill.

Signed

Christie L. Mason

P.O. Box 777

Delta Jct. AK. 99737

(907) 895-4904 home

" 873-4215 work

LEGISLATIVE INFORMATION OFFICE

PO BOX 1189

DELTA JCT., AK 99737

PHONE: (907) 895-4236

FAX: (907) 895-5017

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
House Judiciary	Liz Sarver
COMPANY:	DATE:
Alaska State Legislature	05/04/99
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
465-2819	5
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:
SB 141 Teleconference	

- URGENT  
 FOR REVIEW  
 PLEASE COMMENT  
 PLEASE REPLY  
 PLEASE RECYCLE

NOTES/COMMENTS:



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141, dated 5/4/99 committee name  
 bill/ subject

The prison is the only economic  
 venture in the future of Delta Vt.  
 Please don't let a few radicals  
 dissuade you from giving us a  
 future

Signed:

John Hite John F. Hite  
 Testifier

Representing (Optional)  
PO Box 1232 Delta Vt. AK 99731

Address  
(907) 535-4060  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
 committee on SB 141 Procurement, dated May 4, 1999  
 bill subject

I am against SB 141 because what the city council did is illegal and for you to pass legislation to change existing laws to legalize what they did is another wrong. Two wrongs does not make it right. Alvest in their dealings with the coalition and now the city council in my opinion has been and is heavy handed. Do it our way or we're going to sue. To sweeten the pot, Alvest has bribed the city council with money/services etc., to accept these terms and honor the contract signed by the coalition in addition to the threat of taking them to court. How can the city council fight the high paid lawyers that Alvest can hire with seemingly unlimited resources? What about the lawsuits filed against Alvest by other states with regards to their operations of correctional institutions of one sort or another. Also it seems that the city council and I know the coalition had it in their mind that it didn't matter what the people wanted. The previous mayor told individuals and I was standing next to him when he said it, that it didn't matter what the peoples's vote was going to be, he was signing the contract with Alvest, no matter what.

I am against a privately owned/operated prison. Also if Alvest Plans on local hire why are they buying all the quarters buildings at Fort Greely for next to nothing? It just doesn't seem right! There are too many things known about Alvest that bring clouds of doubt on it's operations as well as too many unanswered questions about their integrity to allow opening the door for further operations.

The only ones that will come out ahead in the matter is Alvest. The residents of the Delta area will be the losers whether or not a prison comes to Fort Greely because this issue has torn our community apart. Some of these rifts may never heal. I really don't want to see a privately operated prison at Ft Greely and Greely will never be considered as a possible site for a missile defense site if the prison is there thus the whole state may be a loser also. If a prison has to be there, go about it under existing law currently on the books that govern such matters. Don't change them to accommodate a government body that side stepped the law. Do it right, two wrongs do not make a right.

Signed:

Mary K. Andrews  
 Teacher

Representing (Optional) HC 60 Box 3690 Delta Junction, AK 99737

Address 907 895 4041

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141 , dated 5/4/99  
bill/ subject committee name

Thank you for the opportunity to testify in writing. I am strongly in favor of this legislation, with particular regard to the fact that it would help get construction of a prison at Fort Greely on track and moving forward. The community has voted twice. We've attended countless meetings and hearings. The opposition remains in the minority here, but the minority is vocal. Reuse of Fort Greely is vitally important to the economic future of this community. Many of those who oppose it believe they can keep the town the same as it was when they came. Change happens and change is certainly going to happen when Fort Greely is drastically down-sized and there are no new jobs to replace those that have gone away. Many of those who oppose this reuse are retired and have their future incomes assured. Those of us who do not have this luxury know the need to have an economic replacement for the military and civilian jobs we will be losing. It is important for individuals and it is extremely important to local businesses.

I urge you to support SB 141, with Section 7 intact, and to pass it out of Committee with a strong "do pass" recommendation. Thank you again for giving us a chance to testify!

Signed:

*Loretta Schooley*

Testifier: Loretta Schooley  
 Myself, Alaska Motor Coaches, Inc., Sunshine Services, Inc., etc.

Representing (Optional)  
P. O. Box 952 (business) P.O. Box 64 (personal), Delta Jct. AR

Address  
(907) 895-4550 (work) 895-5059 (home)

Phone No.

LEGISLATIVE INFORMATION OFFICE

PO BOX 1189

DELTA JCT., AK 99737

PHONE: (907) 895-4236

FAX: (907) 895-5017

FACSIMILE TRANSMITTAL SHEET

TO: House Judiciary	FROM: Liz Sarver
COMPANY: Alaska State Legislature	DATE: 05/04/99
FAX NUMBER: 465-2819	TOTAL NO. OF PAGES INCLUDING COVER: 4
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE: SB 141 Teleconference	YOUR REFERENCE NUMBER:

- URGENT   
 FOR REVIEW   
 PLEASE COMMENT   
 PLEASE REPLY   
 PLEASE RECYCLE

NOTES/COMMENTS.

\_\_\_\_\_

Attention House Judiciary Members,

I represent this group of people who are in full support of bill 141. This issue has been voted on twice, and with Fort Greely closing, we have no guarantees of another business moving in the Delta area with this many jobs available. Allvest has been very generous with it's offer to our community. We the undersigned fully support this bill.

Thank You

Sherry Decker Box 249 Delta Jct AK.  
Dany Shellham Box 249 Delta Junction, AK  
Lordon R. Decker Box 898 Delta Jct AK  
Mara A. Colombo General Delivery Delta Jct.  
Pi Decker Box 249 DELTA JCT, AK  
Pat Decker Box 548 Delta Jct AK



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

4041 B STREET • ANCHORAGE, ALASKA 99503  
P.O. BOX 240609 • ANCHORAGE, ALASKA 99524-0609  
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

5. May 1999

To  
The House Judiciary Committee  
Chairman Representative Pete Kott

*Fax 465-2819*

Subject: House CS for CS for Senate Bill No. 141 (L&C)

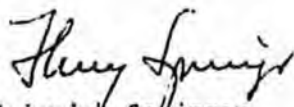
Dear Mr. Chairman and committee members:

Although we have supported the original version of SB 141 in writing by letter dated April 19, 1999 we have concerns about Section 3 of the CS.

We are concerned that the commissioner receives unrestricted discretionary authority (notwithstanding the clause "advantageous to the State") to use a design-build construction contract process without further defining the process. It appears that without reference to the State Procurement Code this is pretty loose. AGC of Alaska does not oppose "design-build" as a procurement method in principle, however, details for the selection process should be structurally addressed. "Single price" is not a sufficient mechanism, because the details for comparison in such a bid package can vary widely and are subject to interpretation and assignment of personal preferences by the commissioner or designees.

If the intent is to solve a problem for a single project it should be addressed in such a manner. Right now our concern is that this Section of the bill opens the door for wide and longrange applicability.

Sincerely,

  
Heinrich Springer

Executive Director

FAIRBANKS  
P.O. BOX 60005 • FAIRBANKS, AK 99706  
(907) 452-1809

SOL.DOTNA  
P.O. BOX 350 • SOL.DOTNA, AK 99669  
(907) 762-7485

STATE OF ALASKA,

May 3, 1999

Governor Tony Knowles,  
All Members, Senate and House,  
Commissioner's, Corrections,  
Health and Social Services

RE: Senate Bill 141

Each of you are respectfully encouraged to review the possibility that passage of Senate Bill 141 may authorize entering into a very costly long term contract, when a much less costly long term contract, or contracts, could result with the same problem solving effects.

Considering the absence of effective and meaningful rehabilitation programs currently operational within Alaska's prison system and, considering the number of first term offenders convicted of non-violent alcohol-drug related crimes, a change of sentencing direction for such offenders from prison or Department of Corrections to long term alcohol-drug abuse rehabilitation programs similar to Nigens Raneta, thru the Department of Health and Social Services - Division of Alcoholism and Drug Abuse.

The cost of incarceration in an alcoholic-drug-abuse treatment facility could range from twenty-five to thirty-five percent less than incarceration in a prison facility, the rehabilitation process in a treatment facility could range from fifty to seventy-five percent more effective than in a prison facility, and the total number of parole violations or commission of new offenses would be thirty-seventy percent less for offenders sentenced to long term alcoholism drug abuse treatment facilities than those committed to the Department of Corrections.

The above per-cent figures are simple estimations but could be proven by the Department of Health and Social Services, Division of Alcoholism and Drug Abuse and the Governors Advisory Council, and probably denied by the Department of Corrections absent corroborating evidence.

Respectfully Submitted,  
RONALD C. MALLOTT  
P.O. Box 104219  
Anchorage, AK 99510  
(907) 278-1442

LEGISLATIVE INFORMATION OFFICE

PO BOX 1189

DELTA JCT., AK 99737

PHONE: (907) 895-4236

FAX: (907) 895-5017

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FACSIMILE TRANSMITTAL SHEET

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TO:	FROM:
House Judiciary	Liz Sarver
COMPANY:	DATE:
Alaska State Legislature	05/04/99
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
465-2819	5
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
RE:	YOUR REFERENCE NUMBER:
SB 141 Teleconference	

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URGENT     FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

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NOTES/COMMENTS:

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P. O. Box 861  
Delta Junction, AK 99737

3 May 1999

Since I will be out of town Tuesday, I am using this note to say that **I am opposed to the clause that was added to Senate Bill 141 that would exempt municipalities from the need to seek competitive bids on projects designed and built by a single contractor.**

Lois Cosgrove

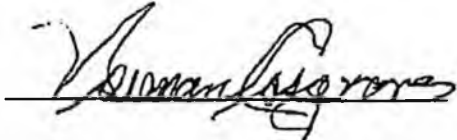
Lois Cosgrove

895-4578

P. O. Box 861  
Delta Junction, AK 99737

3 May 1999

Since I will be out of town Tuesday, I am using this note to say that **I am opposed to the clause that was added to Senate Bill 141 that would exempt municipalities from the need to seek competitive bids on projects designed and built by a single contractor.**

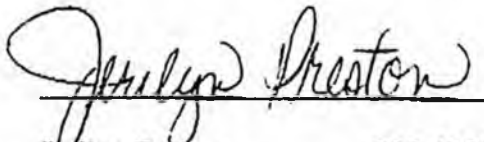
A handwritten signature in cursive script, appearing to read "Norman Cosgrove", written over a horizontal line.

Norman Cosgrove 895-4578

MAY 04 1999 08:01 LTO DELTA JCT 907 895 5017 P.04  
P. O. Box 223  
Delta Junction, AK 99737

3 May 1999

Since I will be unable to attend Tuesday's meeting, I am using this note to say that I am opposed to the clause that was added to Senate Bill 141 that would exempt municipalities from the need to seek competitive bids on projects designed and built by a single contractor.

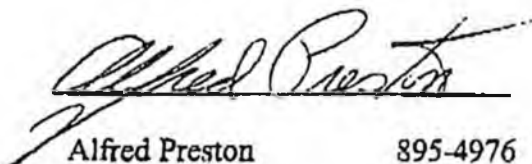
  
\_\_\_\_\_  
Jerilyn Preston

895-4976

P. O. Box 223  
Delta Junction, AK 99737

3 May 1999

Since I will be unable to attend Tuesday's meeting, I am using this note to say that I am **opposed to the clause that was added to Senate Bill 141** that would exempt municipalities from the need to seek competitive bids on projects designed and built by a single contractor.



Alfred Preston      895-4976

LEGISLATIVE INFORMATION OFFICE

PO BOX 1189

DELTA JCT., AK 99737

PHONE: (907) 895-4236

FAX: (907) 895-5017

FACSIMILE TRANSMITTAL SHEET

TO: House Judiciary	FROM: Liz Sarver
COMPANY: Alaska State Legislature	DATE: 05/04/99
FAX NUMBER: 465-2819	TOTAL NO. OF PAGES INCLUDING COVER: 7
PHONE NUMBER: [Click here and type phone number]	SENDER'S REFERENCE NUMBER: [Click here and type reference number]
RE: SB 141 Teleconference	YOUR REFERENCE NUMBER: [Click here and type reference number]

URGENT     FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

NOTES/COMMENTS:



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary committee name  
 committee on SB 141 . dated 5/4/99  
 bill/ subject

Representatives ? Help this community go "forward not backward." This community and myself would appreciate your support in this matter. Thank you for your time.

Signed:

Jimmy W Mayo  
 Testifier  
A Citizen of Delta in Support of the Pass  
 Representing (Optional)  
P.O. Box 201 Delta Junction AK 99737  
 Address  
907-895-4610  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
committee on SB 141, dated 5/4/99  
bill/ subject committee name

I AM NOT IN FAVOR OF SENATE BILL 141  
I AM OPPOSED TO IT BECAUSE OF ATTACHMENT  
PERTAINING TO SOLE SOURCE CONTRACTS, (NO OPEN BID).  
I FEEL THE PURPOSE OF THIS ATTACHMENT IS TO  
CIRCUMVENT THE INTENT OF CHECKS THAT WERE  
IMPLACED TO PREVENT CONFLICTS AND INEQUITIES  
THAT ARISE OUT OF SOLE SOURCE ARRANGEMENTS.

Signed: Randy Bealer  
Testifier  
SELF  
Representing (Optional)  
PO BOX 796 DELTA JUNCTION AK 99737  
Address  
907 - 895 - 4523  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
 committee on SB 141, dated 5-4-99  
 bill/ subject

Please do not pass this bill which would allow sole source contracting for a prison at Ft. Greely. A competitive bid process should take place. I believe that a prison at Ft. Greely is not in the best interest of our community, and would not be the best use of Ft. Greely. And to allow one company to dictate to us and threaten us with a lawsuit if we don't give the contract to them is just wrong.

Please vote NO. Do not let this ruin our community.

Signed: Janice Templin-Weller  
 Testifier

Representing (Optional)  
P.O. Box 731 Delta Jct.  
 Address  
907 895-5128  
 Phone No.

To:  
House Judiciary  
Juneau, Ak.

May 2, 1999

From:  
Michael Jenkins  
Delta Junction, Ak.

I am writing to voice my opinion in reference to SB 141. I am in full support of a Correctional Facility in our Community. There have been two affirmative votes by the City citizens within one year and the City Council voted 6 to 1 in favor.

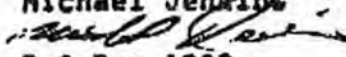
There are some citizens against this project and in their minds, they are right. I cannot argue this with them, although I have with some. This Community is much more important than opposition voters.

The votes have been counted and the majority wants a Correctional Facility on Fort Greely. Our Community and the businesses need the support of a solid base business to create a strong financial base for the future.

I encourage the passing of SB 141 w/sec.7, sole source procurement, to meet the time line established by Fort Greely and the City of Delta Junction to operate a Correctional Facility for the year 2001, which in turn will help those who will be displaced due to the closure of Fort Greely.

Support of the Community for the Correctional Facility is as much needed as the support of the Correctional Facility is to the Community. Both are needed, without question.

Michael Jenkins

  
D.O.Box 1263

Delta Junction, Ak. 99737  
Ph/Fx 907-895-4313



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE

committee on SB 141, dated 5/4/99  
bill/subject committee name

*Members of the Committee:*

*When you start allowing retro active laws you allow people to break a law and then correct it later. This is not following the law its robbing the "People" of due process. This bill acts only in the interest of one group of people and one company, Alust. How can we expect to keep our elected officials free from the influence of big business if we make laws which can only encourage that type of corruption. Passing a law to make an exception to a law is distasteful and falls under the premarce of EX-POST-FACTO legislation.  
Don't allow this to happen!*

Signed:

*Donal E. Lucas*

Testifier

Representing (Optional)

P.O. Box 1085 Delta Jct. AK 99737

Address

907 873-3262 895-4576

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary committee name  
 committee on SB 141 , dated 5/4/99  
 bill/ subject

Request your support of SSB 141. This legislation will greatly assist Delta Junction and other small communities in the area of Sole Source contracting. Specifically, this will enable Delta Junction to pursue the building & operation of a private corrections facility to house Alaska's prisoners within the state of Alaska. Because of our unique situation, and the Dept. of Correction's deliberate foot-dragging since SB 53 was passed, we no longer have the required 6 or more months necessary to pursue a Request For Bid.

Additionally, the agreement worked out between the City of Delta Junction and the Delta Corrections Group (Allvest / Cornell), could never be approached in benefits to the community from a RFB process.

There are still a few "concerned citizens" that continue to be very vocal about their opposition to the re-use of Ft. Greely. Even after 2 favorable votes by our residents, they are still writing letters, sending POMs and making calls. Eight of them are now suing the city in a further attempt to squelch the twice voted will of the people.

Please do what you know is right, not only for Delta Junction but for the many other communities that will benefit from this legislation in the future.

Signed: Michael Lawler  
 Testifier

---

Representing (Optional)  
PO Box 823 DELTA Junction  
 Address  
(907) 895-1546  
 Phone No.



## ASSOCIATED GENERAL CONTRACTORS of ALASKA

4041 B STREET • ANCHORAGE, ALASKA 99503  
P.O. BOX 240609 • ANCHORAGE, ALASKA 99524-0609  
TELEPHONE (907) 561-5354 • FAX (907) 562-6118

5. May 1999

To  
The House Judiciary Committee  
Chairman Representative Pete Kott

Fax 465-2819

Subject: House CS for CS for Senate Bill No. 141 (L&C)

Dear Mr. Chairman and committee members:

Although we have supported the original version of SB 141 in writing by letter dated April 19, 1999 we have concerns about Section 3 of the CS.

We are concerned that the commissioner receives unrestricted discretionary authority (notwithstanding the clause "advantageous to the State") to use a design-build construction contract process without further defining the process. It appears that without reference to the State Procurement Code this is pretty loose. AGC of Alaska does not oppose "design-build" as a procurement method in principle, however, details fo the selection process should be structurally addressed. "Single price" is not a sufficient mechanism, because the details for comparison in such a bid package can vary widely and are subject to interpretation and assignment of personal preferences by the commissioner or designees.

If the intent is to solve a problem for a single project it should be addressed in such a manner. Right now our concern is that this Section of the bill opens the door for wide and longrange applicability.

Sincerely,

Heinrich Springer

Executive Director

FAIRBANKS  
P.O. BOX 60005 • FAIRBANKS, AK 99706  
(907) 452-1809

SOLDOTNA  
P.O. BOX 350 • SOLDOTNA, AK 99669  
(907) 262-2485

TO: Pete Kott  
House Judiciary committee

Please support SB 74. I have been in Alaska for 14 years and plan to stay many more. I am an outdoorsman  
And enjoy what Alaska has to offer I believe that passing SB74 will help preserve this.

Sincerely,



Larry Hamsley  
Box 71613  
Fairbanks, AK 99707



# Alaska State Legislature

Please enter into the record my testimony to the JUDICIARY  
 committee on SB 141 , dated 5-4-99  
bill/ subject committee name

DEAR HONORABLE REPRESENTATIVES.

THIS BILL IS COMPLETELY WRONG AND UNETHICAL AND YOU ALL KNOW IT.

IT IS ENTIRELY A "SPECIAL INTEREST" LEGISLATIVE EFFORT TO UNDERMINE OUR LEGAL SYSTEM.

IF THE SUPREME COURT DOES NOT VETO IT BECAUSE OF IT BEING ILLEGAL, IT WILL BECAUSE IT IS COMPLETELY UNETHICAL.

PLEASE. STOP THIS BILL NOW.

THANK YOU

Signed:

R.C. Bouch  
 Testifier  
SELF  
 Representing (Optional) P.O. Box 2  
 Address 907-895-4448  
 Phone No.

TOTAL P.01

04/29/99 12:35 TX/RX NO.1703 P.001

TOTAL P.19



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SR141, dated 05/04/99  
bill/ subject committee name

This is a partly written bill because of the  
claws attached. There are still other issues to  
be resolved first.

Signed:

W.J. Smith  
Testifier  
Self  
Representing (Optional)  
P.O. Box 1083 Delta Jct. AK  
Address  
895-4759  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SB 141, dated 5/4/99  
bill/ subject committee name

A BAD Bill

DONT WANT THE PRISON

Signed:

JOHN CALLAHAN

Testifier

Representing (Optional)

326 Delta

Address

89544110

Phone No.

Date: Tuesday, May 04, 1999 7:31 AM

Subject: SB 141

---

I'm forwarding this "Testimony Sheet" to express my outrage at what you politicians are trying to pull off. First, we don't want a prison of ANY KIND in our community, and most of all, we don't want this ALLVEST. We've heard too much about them and their underhanded tactics. IF we wanted a prison, first of all, it should be up for competitive bid - if its a private prison, as in the case of ALLVEST.

I've never had a high opinion of politicians; on a scale of 1 to 10, I might give a used car salesman a 4, and I'd give most politician a 1 or 2. And let me tell you, if you pass on this, we're organizing here, and do everything we can to get you out of office.

There are more people in this community AGAINST a prison, than for one. Regardless of the two phony elections. Have a formal election, with IMPARTIAL vote counters (not from Delta), and you'll see!

Sincerely,

ROBERT L. WEEKS



HC 60 Box 3380  
Delta Junction, Alaska 99737 Tel. No. 907-895-5202

5/4/99

---

Date: Tuesday, May 04, 1999 7:57 AM

Subject: SB 141

---

I'm sending this to express my opposition to a prison in the Delta area, and most of all, the legislature trying to force a private prison on us without a competitive bid. We don't want a prison of any kind, and we've all heard so much about ALLVEST, that we certainly don't want them.

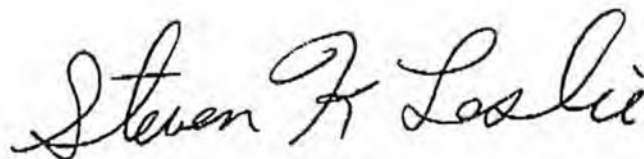
You people are elected by the people, so, if you want to do the right thing, you'll stop this now!

Sincerely,

STEVEN K. LESLIE

P.O. Box 63  
Delta Junction, Alaska 99737

Tel. 907-895-5202



5/4/99

---

Subject: SB 141

---

I'm sending this message to voice my strong opposition to a prison in our community, and especially the way the Legislature is working with ALLVEST to sneak this bill through. We don't want a prison period, and most of all, we don't want ALLVEST.

This action the legislature is trying to force upon us, at least, without a competitive bid, convinces me that possibly some Legislators have a vested interest in ALLVEST.

Sincerely,

ROSANN M LESLIE



P.O. Box 63  
Delta Junction, Alaska 99737

Tel. 907-885-5202

5/4/99



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY  
 committee on SB 141, dated 5/4/99 committee name  
bill/ subject

Senate Bill 141 is A Bad  
 Bill should redone

Signed:

*Dan M. [Signature]*  
 Testifier  
Myself  
 Representing (Optional)  
Pc 189 BELLALET AK  
 Address  
207 895 4853  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE

committee on SB 141, dated 5/4/99  
bill/ subject committee name

*I DO NOT AGREE WITH SB 141, AND I AM AGAINST SOLE SOURCE AGREEMENTS*

Signed:

*Tom Ham*  
Testifier

Representing (Optional)

Address PO 1334 DELTA AK

Phone No. 895-1921



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE

committees on SB 141, dated 5/4/99  
bill/ subject committee name

I don't Agree with Admendment 141  
Pertaining to Sole source Contracts.

It's A SOURCE OF PROBLEMS!

IE: KICK BACKS

PAYOFFS

ARRANGEMENTS WITH FRIENDS OR RELATIVES

JUST TO NAME A FEW!!!

Best FAIR Deal CAN only be obtained by  
Competition.

Go out FOR BID!

Signed:

Gary L. Gerner

Testifier

SELF & FAMILY

Representing (Optional)

2582 MOOSERVA LN.

Address

895-4125

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE

committee on SB 141, dated 5/4/99, committee name \_\_\_\_\_  
bill/ subject \_\_\_\_\_

I strongly urge you to support SSB141, with section 7 intact. This bill will help get construction of a prison at Ft. Greely going forward. The people of Delta have voted twice in favor of the prison. Unfortunately a very vocal minority insists on muddling the water. Please help this community that has twice now said they want this prison. Thank you.

Signed:

Kim Edward Purucker  
Testifier

KIM EDWARD PURUCKER  
Representing (Optional)

Address  
P.O. Box 988 Delta, Jct. AK

Phone No.  
907-895-1991



# Alaska State Legislature

Please enter into the record my testimony to the Judiciary  
committee name  
committee on CSSB 141, dated May 4, 1999.  
bill/ subject

(Continued)

As for the loss of jobs in our community - for those who wish to remain in the area, there will be businesses and support industries built around Pogo. There is a very strong possibility of a refinery being built in the Delta area soon, which will provide good jobs that pay very well.

I encourage you to please scrutinize your bills and pass good ones - but please do not be perpetrator, judge, jury and executioner for special interests. As Honest Abe once said, let's have gov't "of the people, by the people and for the people."

Thank-you

Signed:

Russ Bowdre  
Testifier

Representing (Optional)  
P.O. Box 1048  
Address  
895-4328 pg 2 of 2  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Judiciary  
committee name  
 committee on CSSB 141, dated May 4, 1999.  
bill/ subject

My name is Russ Bowdre. Thank-you for the privilege of addressing this committee. I'll get right to the point. Since this is special interest legislation, we need to decide if it is good for Delta Jct. I contend that it is not, mainly because it attempts to validate an illegal and very bad contract my city was coerced into signing with Allvest and company. The contract is contested on legal points and should be decided in court - not fixed by the legislature. Do we all have the privilege of changing the law after purposely and knowingly violating it? Allvest lobbied for HB 53 last year and never contested the competitive bid portion of it. Is the legislature prepared to waste the states money in a battle to the Supreme Court for this issue and this corporation? Many have joined together in the suit to void this contract because of the very bad business deal it is for our city and community. Obviously the lawsuit is legitimate or this legislation, with its retroactive clause, would not be before you now. This is a gross misuse of our legislature by special interests.

Signed: Russell Bowdre Russ Bowdre  
 Testifier

Representing (Optional)  
P.O. Box 1048 Delta Jct.  
 Address  
895-4328 pg 1 of 2  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141 committee name  
 dated 5/4/99  
 bill/ subject

I am against a prison in Delta because I believe it will have a negative impact on the community in the long run. People will no longer feel "safe" as they do now. The grade 'A' community that exists now will go to a "grade B" as the ref-raf moves in. Think about it: what type of people will be attracted to a prison community??  
 What about property value? "Prison land!! with a prime view of the prison grounds! Live next to RAPISTS and murderers!"

Remember many of these prisoners will be eligible to compete for your jobs, because these will no longer be maximum security prisoners.

I say NO

Signed:

William J. Stevens  
 Testifier

Representing (Optional)

Address 3mi 1340 Alaska Highway

Phone No. 873 4642



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141, dated 5/4/99 committee name  
bill/ subject

MY NAME IS JIM STOREY, A 25 YEAR RESIDENT OF DELTA JUNCT. I WORK AT FORT GREELY, I AM NOT IN FAVOR OF CONVERSION OF THE INSTALLATION TO A PRIVATE PRISON IN ANY FORM. I DO NOT THINK THAT DELTA JUNCTION IS A LARGE ENOUGH POPULATION CENTER TO ABSORB THE IMPACT OF A PRISON OPERATION. WEVE ALREADY HAD A HARD HIT RELATIVE TO THE AGRICULTURE EFFORT THAT DIDNT LIVE UP TO EXPECTATIONS. SOMETHING SEEMS WRONG WITH THE PRISON PROJECT PROMOTION EFFORT WHICH BY AND LARGE IS THE DELTA SCHOOL SYSTEM WHICH BY ITS NATURE HAS MULTIPLE TENTICLES, E.G. TEACHING STAFF PAST AND PRESENT, BOARD MEMBERS, BUS OWNERS MECHANICS AND DRIVERS, AND ON AND ON. THE GROUP HAS DEVELOPED ITS DIRECTION AND WITHIN THE GROUP ITS UNPOPULAR TO DEVINTE. OF LATE THE PRISON PROPOONENT GROUP SEEMS SOMEWHAT SUBDUED. MY GUESS IS THAT THE PERCEIVED SITUATION IS CONNECTED TO THE RECENTLY AVAILABLE AND BROADCASTED INFORMATION IDENTIFYING MISMANAGEMENT AND MONUMENTAL PROBLEMS WITH EXISTING PRIVATE PRISONS SUCH AS YOUNGSTOWN OHIO. IDEAS OF ENTERPRISE AND ADVANCEMENT ARE GREAT, BUT THROUGHOUT OUR GREAT COUNTRY THERE ARE LARGE AND SMALL TOWNS. THAT JUST THE WAY IT IS.

Signed:

Testifier Jim Storey  
 Representing (Optional) \_\_\_\_\_  
 Address Po Box 1082  
 Phone No. 895-4863



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141 , dated 5/4/99  
 bill/ subject committee name

I Am writing in opposition to the proposed prison deal. IT SEEMS VERY APPARENT THAT THIS PROPOSITION HAS DRIVEN A WEDGE BETWEEN MEMBERS OF WHAT WAS A VERY CLOSE COMMUNITY. MANY OF THE PEOPLE WHO ARE SUPPORTING THIS ENDEAVOR SEEM TO HAVE ONLY THEIR OWN WELL BEING TO JUSTIFY THEIR OPINIONS, AND NOT THOSE OF THE COMMUNITY. ALREADY WE ARE FREGED WITH THE POSSIBILITY OF LAW SUITS, FROM A COMPANY THAT WISHES TO HELP US? IN MY VIEW THIS IS NOT THE TYPE OF ORGANIZATION I CAN HAVE TRUST IN FOR THE FUTURE OF DELTA JCT. THE INFORMATION PASSED OUT TO THE COMMUNITY HAS CHANGED MANY TIMES, SINCE THIS IDEA WAS BORN WITH MANY UNTRUTHS AND HALF TRUTHS BEING THE CORE. HOW CAN ANYTHING FROM THIS ORGANIZATION BE TRUSTED. I HAVE RESIDED HERE FOR 10 YRS AND PLAN TO STAY. I FEEL THAT THE RESIDENTS HERE HAVE THE DESIRE AND MOTIVATION TO MAKE DELTA PROFITABLE COMMUNITY WITHOUT THE UNNECESSARY BURDEN THE PRISON WILL PLACE ON US.

Signed:

DAVID A. HOFFMAN *CAHNL*

Testifier

Representing (Optional)

P.O. BOX 1452 DELTA JCT AK

Address

895-6288

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY COMMITTEE  
 committee on SB 141, dated 5/4/99 committee name  
bill/ subject

I am categorically opposed to the building of a private prison on Ft Greely. Although I am a strong proponent of the free enterprise system and believe that "the best government is the government that governs least" there are things that only government should do. When a person is imprisoned it is because that person is deemed to have committed an offense against society and is delivered to the state to be punished. The government is charged with protecting society from the prisoner and safeguarding the prisoner while in the custody of the state. This is not an efficient system. It was not meant to be. The purpose of private enterprise is to make money. Period. Managers who work for the private enterprise will be judged on the profitability of the prison. The private enterprises priority of making money and the states responsibility to protect both society and the prisoner will often be at cross-purposes. You do not need much intelligence to see the conflict of interest. No matter who runs the prison the state will ultimately be responsible for what happens in the prison. The history of private prisons in this country goes much further than the current debate. Prisoners in the South were leased to farms and mines. This relieved the state of the responsibility of caring for the prisoners and allowed the prisoners to earn their keep. It was an efficient system until the horrific conditions that the prisoners were forced to live in were exposed. Recent use of private prisons in Texas and Ohio have resulted in lawsuits against the STATES who contracted to the private prisons. Remember, Alaska will have to bear the costs of any misdeeds by the private prison. You cannot contract responsibility.

I am also opposed to the prison from a strictly common sense point of view. It is my understanding that crime is going down, so will there be a need for the additional prison space? Will the state agree to fund the prison regardless of the numbers of prisoners in the state system? Does anyone really think that you can live in Delta on the wages proposed by Alvest? While the prison and its operators will no doubt be a boon to the people already dependent on government (the school district employees, the school bus company and of course the welfare/social service administrators) I don't think the true cost to the local community and the state have been analysed. If I were going to build a prison I would place it where there was already an existing social support infrastructure. I would not build a prison in an isolated community and then find myself having to recreate state services that are already available elsewhere at less cost. While in the short run the building of a prison in Delta may hold out the promise of low paying jobs, in the long run the state will be responsible for what goes on in the prison and for building the support infrastructure that will be needed for the prison to function in this community. The only people to profit in from a prison in Delta will be lawyers and the paid consultants. When all is said and done, Delta is a little town along way from anywhere. Delta (like most of Alaska) has gone through periods of boom and bust. Good leaders would recognize this and attempt to plan a future that makes wise use of revenues during the fat years so we can make it through the lean ones. Delta has already had one huge white elephant in the past 20 years (remember all that grain the learned consultants said was going to come out of the Barley project?), we don't need another.

Signed:


Jerry E. Reagan  
 Testifier

Representing (Optional)  
POB 425 Delta Junction AK 99737  
 Address  
907-895-5520  
 Phone No.

May 4, 1999

I strongly oppose Senate Bill 141. It is wrong and those working with it firsthand know that it is wrong. What has happened to our politicians involved with pushing this Bill through? Don't they know that this is not fair play? What has happened to the things that count in a true leader of our community? Is our America, our Alaska, our Delta Junction, too far gone?

A disgusted voter,

  
Nancy Moxley  
P. O. Box 954  
Delta Junction, AK 99737

FAX to the Senate Judiciary Committee via LIO 895-5017

From: Sharon Haney Wright  
P.O. Box 225  
Delta Junction, Alaska 99737

Date: May 4, 1999

RE: SB 141

Dear Senators: It would be a travesty of the political process to pass this bill! This bill attempts to retroactively change the law to accommodate the interests of one business. It is not in the best interests of the people of the State of Alaska to go for sole source bidding. Further, the bill disenfranchises the voters by not allowing them to make this choice themselves. I oppose private prisons; the efforts Allvest and its cohorts have made to get their way at all costs, ethics and conscience be damned, are proof of their interest in the bottom dollar, not the individuals they need to serve. It also encourages lawmakers to accept lobbying favors and political power of questionable origin and motive. Please - DO NOT PASS THIS BILL!

*Sharon Haney Wright*



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY  
 committee on SB 141, dated 5/4/99  
 bill/ subject committee name

I would like to recommend to  
 the House Judiciary committee not  
 to pass SB 141. It not only is  
 unethical for sole source it also  
 seems highly illegal as well.

Signed:

Lori Cummings  
Testifier

Self  
Representing (Optional)

Box 1692, N. to Pt., AK 99737  
Address

(907) 925-4323  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SB 141, dated 5/4/99  
bill/ subject committee name

I am against SB 141  
And Sec 7

Signed: Barbara Goss  
Testifier

Representing (Optional)  
P.O. Box 755 Delta Junction Alaska  
Address

Phone No. 895-4064



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SB 141, dated 5/4/99  
bill/ subject committee name

I am opposed SB 141

AND SEC 7

Signed:

[Signature]  
Testifier

Representing (Optional)  
PO. 755 Dept. Sec. T. Alaska

Address  
707-895-4064  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE JUDICIARY  
 committee on SB 141, dated 5/4/99  
bill/ subject committee name

Please don't vote in favor of SB141. The change of the bill to include sole source contracts (Sec.7) and have it retroactive (Sec.8) does a disservice to the Delta Jct. community. A prison was voted for by a little more than half of Delta and a little less than half voted against the prison. But many people that voted for the prison at that time did so believing that there would be competitive bidding on the prison. The prospect of having a prison in our community through a sole source agreement bothers a lot of people. The results of a vote today may well be the reverse of the last vote I don't expect there to be another vote. Our only form of input is through these records of testimony. Rules of a game are set at the beginning so everyone knows the regulations that everyone will have to abide by. Changing the rules to benefit half of those playing is not fair to the other half. Please vote no on SB141. Thank you.

Signed:

Vicki Bealer

Testifier  
myself

Representing (Optional)

POB 796 Delta Jct 99737

Address

895-4523

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SB 141, dated 5/4/99  
bill/ subject committee name

I am against bill SB 141

Signed:

Ronald S. Pirby  
Testifier

Representing (Optional)

Box 290 Delta Junction 99737

Address

895-1947

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the House Judiciary  
committee on SB141, dated 5/4/99  
bill/ subject committee name

*I am against bill SB141*

Signed:

*Lydia S. Kerby*  
Testifier

Representing (Optional)  
*Box 290 Delta Jct. AK 99737*

Address  
*907-895-1947*

Phone No.